UNITED STATES BANKRUPTCY COURT
DISTRICT OF DELAWARE

In re	:	**Chapter 11**
SOUTHERN AIR HOLDINGS, INC., *et al.*,	:	**Case No. 12-12690 ( )**
Debtors.[1]	:	**Joint Administration Requested**

MOTION OF DEBTORS FOR AN ORDER (I) AUTHORIZING POSTPETITION FINANCING, (II) GRANTING LIENS AND PROVIDING SUPERPRIORITY ADMINISTRATIVE EXPENSE PRIORITY, (III) AUTHORIZING USE OF CASH COLLATERAL AND APPROVING ADEQUATE PROTECTION, AND (IV) MODIFYING THE AUTOMATIC STAY PURSUANT TO SECTIONS 105, 361, 362, 363, AND 364 OF THE BANKRUPTCY CODE AND BANKRUPTCY RULE 4001

Southern Air Holdings, Inc. ("Holdings") and its affiliated debtors in the above-referenced chapter 11 cases, as debtors and debtors in possession (collectively, the "Debtors"), submit this motion (the "Motion") and, in support thereof, respectfully represent as follows:

Concise Statement Pursuant to
Bankruptcy Rule 4001 and Local Rule 4001-2

1. By this Motion, the Debtors request, pursuant to sections 105, 361, 362, 363, and 364 of title 11 of the United States Code (the "Bankruptcy Code") and in accordance with the applicable Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules") and Local Rules of Bankruptcy Practice and Procedure of the United States Bankruptcy Court for the District of Delaware (the "Local Rules"), entry of interim and final orders (i) authorizing the

[1] The Debtors in these cases, along with the last four digits of each Debtor's federal tax identification number, are: (i) Southern Air Holdings, Inc., 6605; (ii) Cargo 360, Inc., 4233; (iii) Southern Air Inc., 2187; (iv) Air Mobility Inc., 3824; (v) 21110 LLC, 3761; (vi) 21111 LLC, 8100; (vii) 21221 LLC, 1567; (viii) 21550 LLC, 8103; (ix) 21576 LLC, 6341; (x) 21590 LLC, 8105; (xi) 21787 LLC, 0617; (xii) 21832 LLC, 7893; (xiii) 23138 LLC, 7192; (xiv) 24067 LLC, 6360; (xv) 46914 LLC, 0322; (xvi) Aircraft 21255, LLC, 5500; (xvii) Aircraft 21380, LLC, 1753; and (xviii) CF6-50, LLC, 9733. The address for all Debtors is 117 Glover Avenue, Norwalk, Connecticut 06850.

Debtors to obtain and guarantee debtor-in-possession financing, (ii) granting security interests and priority liens with respect to the debtor-in-possession financing, (iii) authorizing the Debtors to use cash collateral of certain prepetition lenders and to grant adequate protection in respect thereof, (iv) modifying the automatic stay, to the extent necessary to effectuate the terms of this Order, and (v) granting related relief. A proposed interim order is attached hereto as Exhibit A (the "Interim Order" and, together with a final order (the "Final Order") to be entered after notice and a hearing (the "Final Hearing"), the "Orders").

2. The following chart contains a summary of the essential terms of the proposed debtor-in-possession financing, together with references to the applicable sections of the relevant source documents, in accordance with Bankruptcy Rule 4001(b)(1)(B) and (c)(1)(B) and Local Rule 4001-2:[2]

Borrowers *Bankruptcy Rule 4001(c)(1)(B)*	Cargo 360, Inc. ("Cargo 360" or the "Borrower"), pursuant to that certain Senior Secured Super-Priority Debtor-in-Possession Credit Agreement, dated September 27, 2012 (the "DIP Credit Agreement"), with Borrower, Canadian Imperial Bank of Commerce, New York Agency ("CIBC"), as the administrative agent ("Administrative Agent").[3] Southern Air, Inc. ("Southern Air"), in accordance with the terms of the *Stipulation Pursuant to Sections 363 and 1110 of the Bankruptcy Code Regarding Oak Hill Entities and 777 Aircraft*, dated September 27, 2012 (the "1110 Stipulation").[4]
Guarantors *Bankruptcy Rule 4001(c)(1)(B)*	Each of the other Debtors.
Lenders *Bankruptcy Rule 4001(c)(1)(B)*	The various financial institutions and other persons from time to time party (the "Lenders") to the DIP Credit Agreement. Oak Hill pursuant to the 1110 Stipulation.

[2] The summaries contained in this Motion are qualified in their entirety by the provisions of the documents referenced. To the extent anything in this Motion is inconsistent with such documents, the terms of the documents shall control.

[3] Capitalized terms used but not defined herein shall have the meanings ascribed to them in the DIP Credit Agreement, attached hereto as Exhibit A.

[4] See *Motion of Debtors for Authority to Enter into Stipulation Pursuant to Sections 363 and 1110 of the Bankruptcy Code Regarding Oak Hill Entities and 777 Aircraft* (the "1110 Motion").

Commitment *Bankruptcy Rule 4001(c)(1)(B)* *Local Rule 4001-2(a)(ii)*	The Lenders' commitment to a super-priority new-money multiple draw term loan facility in an aggregate amount of $25 million will be made available as follows: (i) $12.5 million from the date the Interim Order is entered; and (ii) $12.5 million from the date the Final Order is entered. (DIP Credit Agreement § 2.1) Pursuant to the 1110 Stipulation, Oak Hill agreed to the OHAA Payments (defined below). (1110 Stipulation at Ex. A)
Interest Rates *Bankruptcy Rule 4001(c)(1)(B)* *Local Rule 4001-2(a)(ii)*	With respect to the DIP Credit Agreement, at Borrower's election: Base Rate Loans: For Loans other than the Roll-Up Loans: the Alternate Base Rate from time to time in effect plus 7.00% per annum; For Roll-Up Loans: the Alternate Base Rate from time to time in effect plus 4.00% per annum; OR LIBO Rate Loans: For Loans other than the Roll-Up Loans: LIBO Rate (Reserve Adjusted) (2.50% LIBOR floor) plus 8.00% per annum; For Roll-Up Loans: LIBO Rate (Reserve Adjusted) (1.00% LIBOR floor) plus 5.00% per annum. (DIP Credit Agreement § 3.2.1) Default Interest Rate: Applicable rate plus 2.00% per annum. (DIP Credit Agreement § 3.2.2)
Term/Maturity *Bankruptcy Rule 4001(c)(1)(B)* *Local Rule 4001-2(a)(ii)*	With respect to the DIP Credit Agreement, the Borrower shall repay in full the unpaid principal amounts upon the earliest to occur of (i) the date that is 180 days after the entry of the Interim Order, (ii) the date that is 45 days after the date of entry of the Interim Order if the Final Order has not been entered by such date, (iii) the date the Bankruptcy Court orders the conversion of any chapter 11 case to a chapter 7 liquidation or the dismissal of any chapter 11 case, (iv) the acceleration of the Loans and the termination of the Commitments in accordance with the Loan Documents and (v) the effective date of any chapter 11 plan of any Debtor that is confirmed pursuant to an order entered by the Bankruptcy Court. (DIP Credit Agreement § 1.1, definition of "Stated Maturity Date") OHAA Payments actually received by the Debtors during the chapter 11 cases (the "Secured OHAA Payment Obligations") shall be payable upon an event of default under the 1110 Stipulation during the chapter 11 cases. (1110 Stipulation at Ex. A)
Events of Default *Bankruptcy Rule 4001(c)(1)(B)* *Local Rule 4001-2(a)(ii)*	The DIP Credit Agreement contains usual and customary events of default for postpetition financings, including (i) failure to make principal or interest payments when due, (ii) material breaches of representations or warranties, (iii) non-performance of certain covenants and obligations, (iv) certain uncured defaults on postpetition Indebtedness (other than the obligations arising in connection with the DIP Credit Agreement), (v) certain unsatisfied or unstayed judgments with respect to postpetition liabilities being rendered against the Debtors or any of their subsidiaries in excess of $200,000, (vi) the occurrence of certain ERISA Events, (vii) the occurrence of a Change of Control, (viii) the impairment of any Loan Document or Lien approved by the Orders, and (ix) the loss of certain federal certificates. Additional events of default pertaining to certain occurrences during the chapter 11 cases. (DIP Credit Agreement § 8.1)

	The 1110 Stipulation contains various events of default. (1110 Stipulation at Ex. A)
Use of Term Loan *Bankruptcy Rules 4001(b)(1)(B), (c)(1)(B)* *Local Rule 4001-2(a)(ii)*	The Borrower will use the proceeds of the Loans under the DIP Credit Agreement to pay related fees, commissions and expenses subject to and in a manner consistent with the Approved Budget, including to pay (i) all fees due to the Administrative Agent and the Lenders as provided under the DIP Credit Agreement or the other Loan Documents, (ii) all reasonable out-of-pocket professional fees and expenses (including legal, financial advisor, appraisal and valuation-related fees and expenses) incurred by the Administrative Agent, including, without limitation, those incurred in connection with the preparation, negotiation, documentation and court approval of the DIP Credit Agreement and any other Loan Documents; (iii) all reasonable out-of-pocket costs and expenses, including professional fees and expenses (including legal, financial advisor, appraisal and valuation-related fees and expenses), incurred by the Pre-Petition Agent, in each case, as provided for in the Orders, (iv) Post-Petition and approved (by the Bankruptcy Court, with the express consent of the Administrative Agent at the direction of the Required Lenders) Pre-Petition operating expenses and other working capital, general corporate needs and financing requirements of the Borrower and its Subsidiaries, (v) certain other costs and expenses related to the administration of the Chapter 11 Cases, and (vi) professional fees and expenses of the Debtors and any statutory committee of creditors ("Creditors' Committee") appointed by the Bankruptcy Court. (DIP Credit Agreement § 6.19) The Borrower shall use the OHAA Secured Payments in accordance with the terms of the 1110 Stipulation, the DIP Credit Agreement and the Orders. (1110 Stipulation at Ex. A)
Borrowing Limits *Bankruptcy Rule 4001(c)(1)(B)*	The DIP Documents (as defined in the Interim Order) contain negative covenants and restrictions on incurrence of certain Indebtedness. (DIP Credit Agreement §§ 7.2) Restrictions on use of proceeds and negative covenants related to Approved Budget. (DIP Credit Agreement § 7.1.8)
Borrowing Conditions *Bankruptcy Rule 4001(c)(1)(B)* *Local Bankruptcy Rule 4001-2(a)(ii)*	The DIP Credit Agreement contains usual and customary conditions precedent to extensions of credit. (DIP Credit Agreement Article 5) The 1110 Stipulation contains conditions precedent to the release of the OHAA Payments. (1110 Stipulation at Ex. A)
Fees *Bankruptcy Rule 4001(c)(1)(B)*	In connection with the DIP Credit Agreement: Cash Payment: 1.5% of the stated principal amount of each Lender's Closing Date Term Loans and Final Order Term Loan Commitments. (DIP Credit Agreement § 3.3.1) Equity Payment: Cash equal to 5% of the total equity value of the reorganized Debtors payable pursuant to the Plan (the "Equity Payment"), earned upon entry of the Interim Order, payable as a superpriority administrative expense claim at the earliest of (i) confirmation of any plan of reorganization in which the Equity Payment shall be deemed to be in an amount equal to the greater of (x) 5% of the total equity value of any confirmed chapter 11 plan and (y) 5% of what the total equity value of the

	reorganized Debtors would have been under the Plan; (ii) sale of all or substantially all of the Debtors' assets, in which case, the Equity Payment shall be deemed to be equal to the greater of (x) 5% of the Loans (other than the Roll-Up Loans) and (y) 5% of the sale proceeds, and shall in each case be payable only from sale proceeds and senior to all other Obligations; and (iii) conversion of the chapter 11 case of Southern Air to a case under Chapter 7 of the Bankruptcy Code, in which case, the Equity Payment shall be deemed to be equal to 5% of the Loans (other than the Roll-Up Loans) and shall be senior to the Obligations; provided, however, that, notwithstanding the foregoing, in the case of confirmation of any plan of reorganization of the Debtors, at the election of the Debtors, such payment may be made in the form of reorganized common stock of Holdings equal to the Equity Payment. (DIP Credit Agreement § 3.3.2) Escrow Fees: Including payment to escrow agent in connection with the DIP Credit Agreement; potential additional fee in connection with 1110 Stipulation. (Escrow Agreement) Arrangement Fee and Agency Fee: To be paid pursuant to the Administrative Agent.[5] (DIP Credit Agreement § 3.3, 6.19; Fee Letter ¶ 2 and 3)
Entities with Interest in Cash Collateral *Bankruptcy Rule 4001(b)(1)(B)(i)*	(i) CIBC and (ii) the Prepetition Lenders, and (iii) other parties referred to in the prepetition collateral documents (the "Prepetition Secured Parties"). (Interim Order ¶ F)
Use of Cash Collateral *Bankruptcy Rule 4001(b)(1)(B)(ii)* *Local Rule 4001-2(a)(ii)*	The Debtors are authorized to use Cash Collateral subject to the terms of the Interim Order, the DIP Documents, and the 1110 Stipulation. (Interim Order ¶ 9)
Material Terms, Including Duration, of Use of Cash Collateral *Bankruptcy Rule 4001(b)(1)(B)(iii)*	The Debtors' authority to use Cash Collateral shall terminate upon the earliest of: (a) the Final Order is not entered within 45 days of the Interim Order, (b) the DIP Loans become due and payable, and (c) the occurrence of an Event of Default. (Interim Order ¶ 9)
Liens, Cash Payments or Adequate Protection Provided for Use of Cash Collateral *Bankruptcy Rule 4001(b)(1)(B)(iv)*	The Interim Order provides as "Adequate Protection Obligations": (a) In accordance with sections 361, 363(e), and 364(d) of the Bankruptcy Code, valid, perfected, postpetition security interests in and liens (the "Adequate Protection Liens") on all of the Collateral of the Debtors and their estates, to secure an amount equal to the Diminution in Value of the respective interests, if any, of the Prepetition Secured Parties in the Prepetition Collateral. The Adequate Protection Liens shall remain subject and subordinate to (i) the Permitted Liens, (ii) the Postpetition Liens (including, Postpetition Liens securing the Roll-Up Loans), and (iii) after the Carve-Out Trigger Notice, the Carve-Out. (b) To the extent entitled thereto under section 507(b) of the Bankruptcy Code, subject, after the Carve-Out Trigger Notice, to the payment of the Carve-Out, a superpriority administrative expense claim immediately junior the claims under section 364(c)(1) of the Bankruptcy Code held by the DIP Agent on account of the DIP Obligations (including, DIP Obligations relating

[5] Contemporaneously herewith, the Debtors have filed a motion to file the fee letters with the Court under seal.

	to the Roll-Up Loans), provided (i) that no entity shall receive or retain any payments, property, or other amounts in respect of superpriority claims relating to such prepetition primed obligations unless and until the obligations under the DIP Facility, including, without limitation, the Roll-Up Loans, and the Secured OHAA Payment Obligations have indefeasibly been paid in cash in full. (c) In accordance with sections 361, 363(e), and 364(d) of the Bankruptcy Code, current cash payments to the Prepetition Agent for all reasonable professional fees and expenses payable to the Prepetition Agent under the Prepetition Senior Credit Facility. (d) Certain financial and other reporting. (Interim Order ¶ 13)
Other Covenants	DIP Credit Agreement contains usual and customary affirmative and negative covenants. Additional negative covenant relating to aircraft leases from OHAA (defined below). (DIP Credit Agreement § 7.2.16) The 1110 Stipulation and the term sheet attached thereto contain additional conditions to OHAA Payments. (1110 Stipulation)
Liens and Priorities *Bankruptcy Rule 4001(c)(1)(B)(i), (xi), Local Rules 4001-2(a)(i)(A), D), (G),and 4001-2(a)(ii)*	All Obligations under the DIP Facility, subject only to the Carve-Out, (i) shall constitute allowed super-priority administrative expenses of each of the Obligors having priority over any and all administrative expenses, diminution claims and all other claims against each of the Obligors, including, without limitation, of the kind specified in Sections 105, 326, 328, 330, 331, 503(b), 506(c) (upon entry of the Final Order), 507(b), 546(c), 726,1114 or any other section of the Bankruptcy Code, (ii) shall at all times be senior to the rights of the Obligors, the estates of the Obligors, and any successor trustee or estate representative in the Chapter 11 Cases or any subsequent proceeding or case under the Bankruptcy Code, and (iii) shall be payable in accordance with the terms of the Orders. (Interim Order ¶ 6)
Carve Out *Local Rule 4001-2(a)(ii)*	The obligations to the DIP Lenders and the liens and superpriority claims granted in the Interim Order and the Final Order and/or under the DIP Documents and the Prepetition Liens shall be subject and subordinate to payment of (i) all fees required to be paid pursuant to 28 U.S.C. §1930(a), (ii) all reasonable fees and expenses incurred by a trustee under section 726(b) of the Bankruptcy Code in an amount not exceeding $25,000, and (iii) after the occurrence and during the continuance of an Event of Default, an amount not to exceed $750,000 in the aggregate, which amount may be used, subject to the terms of the Interim Order and the Final Order, as applicable, to pay any fees or expenses incurred by the Debtors and any Creditors' Committee that remain unpaid. (DIP Credit Agreement § 1.1, definition of "Carve-Out Cap", 11.1(g), Interim Order ¶ 5)
Adequate Protection for Prepetition Lenders *Bankruptcy Rules 4001(c)(1)(B)(ii) and 4001(b)(1)(B)(iv)*	See *Liens, Cash Payments or Adequate Protection Provided for Use of Cash Collateral* section above.

Determination Regarding Prepetition Claim *Bankruptcy Rule 4001(c)(1)(B)(iii)*	Events of Default under the DIP Credit Agreement include the entry of any order, other than the Orders, by the Bankruptcy Court invalidating, subordinating, disallowing, recharacterizing or limiting in any respect, as applicable, the enforceability, priority, characterization or validity of any of the Liens securing the Pre-Petition Loan. (DIP Credit Agreement § 8.1.11(x); Interim Order ¶ 21) The Interim Order contains stipulated findings of fact, including those related to the validity and enforceability of the Prepetition Indebtedness, the liens securing the Prepetition Senior Credit Facilities, and any claims of Oak Hill in respect of the 777 Leases and 777 Aircraft. (Interim Order ¶ E) The stipulations referenced above shall become irrevocably binding on all persons and entities; however, a Creditors' Committee, if formed, shall have 60 days from the date it is formed, and all other parties in interest shall have 75 days from the Petition Date (in each case, as such date may be extended by the Required Lenders or by the Court for cause shown), to investigate the accuracy of such stipulation. Any stipulation that is not timely and expressly challenged in an adversary proceeding shall remain in full force and effect and shall permanently and irrevocably bind all entities and persons. (Interim Order ¶ 21)
Waiver or Modification of the Automatic Stay *Bankruptcy Rule 4001(c)(1)(B)(iv)*	Following an Event of Default under the DIP Documents, the DIP Agent is authorized to exercise any and all of their rights and remedies in accordance with the terms of the DIP Documents, and to take all actions required or permitted by the DIP Documents without necessity of further Court orders; provided that the DIP Agent shall give five (5) business days prior notice to the Borrower, the U.S. Trustee, Oak Hill and the Creditors' Committee of such action. (DIP Credit Agreement § 8.2; Interim Order ¶17) Regardless of the existence of an Event of Default, the Automatic Stay is waived and/or modified with respect to the deposit and application of all cash, checks, or other collections or proceeds from Collateral received by any of the Obligors in accordance with the DIP Documents. (Interim Order ¶17)
Other Waivers or Modifications *Bankruptcy Rule 4001(c)(1)(B)(v)*	Event of Default occurs if Obligor brings motion to obtain additional financing under section 364(c) or (d) of the Bankruptcy Code (DIP Credit Agreement § 8.1.11(a))
Plan, Disclosure Statement and Confirmation Deadlines *Bankruptcy Rule 4001(c)(1)(B)(vi)*	Affirmative covenants, including those to: (a) file plan of reorganization and disclosure statement satisfactory to the Administrative Agent and the Required Lenders in all respects on or prior to fifteen (15) Business Days after the Petition Date; (b) obtain an order approving the disclosure statement, which order is satisfactory to the Administrative Agent and the Required Lenders in all respects, on or prior to the date that is forty-five (45) days after filing of the Disclosure Statement; (c) obtain an order confirming the plan, which order is satisfactory to the Administrative Agent and the Required Lenders in all respects, on or prior to the date that is sixty (60) days after the Disclosure Statement is approved. (DIP Credit Agreement § 7.1.14)
Waiver or Modification of Applicability of Non-	All Liens created pursuant to the DIP Documents shall be valid and perfected upon the entry of the Interim Order, without the necessity of the execution of

Bankruptcy Law Relating to the Perfection or Enforcement of a Lien *Bankruptcy Rule 4001(c)(1)(B)(vii)*	mortgages, security agreements, pledge agreements, financing statements, or any other agreements normally required or the perfection of Liens under applicable law. (DIP Credit Agreement §§ 6.17, 11.1, Interim Order ¶¶ 3(c), (a)) No obligation, payment, transfer, or grant of security under the DIP Documents, or the OHAA Payments, or the Interim Order shall be stayed, restrained, voidable, avoidable, or recoverable under the Bankruptcy Code or under any applicable law, or subject to any avoidance, reduction, setoff, recoupment, offset, recharacterization, subordination (whether equitable, contractual, or otherwise), counterclaims, cross-claims, defenses, disallowance, impairment, or any other challenges under the Bankruptcy Code or any other applicable foreign or domestic law or regulation by any person or entity. (Interim Order ¶13(e))
Release, Waivers or Limitation on any Claim or Cause of Action *Bankruptcy Rule 4001(c)(1)(B)(viii)*	The Obligors grant to the DIP Agent, the DIP Lenders, the Prepetition Agent, the Prepetition Lenders, and Oak Hill broad releases with respect to any and all claims (Interim Order ¶¶ E(e), (g), 19)
Indemnification *Bankruptcy Rule 4001(c)(1)(B)(ix)*	The Debtors agree to certain indemnities and to reimburse the indemnified parties for liabilities incurred. (DIP Credit Agreement §§ 4.6(d), 10.4)
Release, Waivers or Limitation of Rights *Bankruptcy Rule 4001(c)(1)(B)(x) Local Rules 4001-2(a)(i)(B), (C)*	The Debtors waive certain rights and causes of action pursuant to section 506(c) of the Bankruptcy Code. (DIP Credit Agreement § 11.1(b)) The allowance of certain claims under section 506(c) of the Bankruptcy Code is an event of default under the DIP Credit Agreement. (DIP Credit Agreement § 8.1.11)

3. In accordance with Local Rule 4001-2, the following provisions of the DIP Credit Agreement are highlighted below:

a. ***Provisions that grant cross-collateralization protection (other than replacement liens or other adequate protection) to the prepetition secured creditors***. The amounts owing with respect to the Roll-Up Loans are included in the Obligations that shall constitute allowed super-priority administrative expense claims and be secured pursuant to section 364(c)(2), (3), and 364(d)(1).
(DIP Credit Agreement § 11.1)

b. There are no provisions or findings of fact that bind the estate or other parties in interest with respect to the validity, perfection or amount of the secured creditor's prepetition lien or the waiver of claims against the secured creditor without first giving parties in interest at least seventy-five (75) days from the entry of the order and the Creditors' Committee, if formed, at least sixty (60) days from the date of its formation to investigate such matters.

c. ***Provisions that waive rights of the Debtors' estates under section 506(c)***. The proposed waiver of the estates' rights pursuant to section 506(c) of the Bankruptcy Code will be effective only after entry of the Final Order.
(DIP Credit Agreement § 11.1(f), Interim Order at ¶ 33)

d. ***Provisions that immediately grant prepetition secured creditors liens on the Debtors' claims and causes of action arising under sections 544, 547, 548, and 549 of the Bankruptcy Code***. Upon entry of the Interim Order, the Obligations shall be secured by a lien on all unencumbered Collateral, including the Debtors' interest in Avoidance Actions and the proceeds thereof.
(DIP Credit Agreement § 11.1(c), Interim Order at ¶ 7(d))

e. ***Provisions that deem prepetition secured debt to be postpetition debt or prepetition loans from a prepetition secured lender used to pay part or all of that secured creditor's prepetition debt***. The amounts owing with respect to the Roll-Up Loans are included in the Obligations that shall be secured pursuant to section 364(c)(2), (3), and 364(d)(1). Prepetition Loans held by each Lender party to the DIP Credit Agreement shall be substituted and deemed exchanged for the Roll-Up Loans of such Lender.
(DIP Credit Agreement §§ 2.1.3, 11.1)

f. There are no provisions that provide disparate treatment for the Creditors' Committee's retained professionals with respect to professional fee carve out.

g. ***Provisions that prime any secured lien absent consent of the affected lienor***. The DIP Credit Agreement provides for certain Liens, which prime the Liens securing the obligations of the Obligors under the Pre-Petition Credit Agreement and all Liens junior thereto (the "Primed Liens"). The Required Prepetition Lenders under the Prepetition Credit Agreement have consented to the priming of their liens.
(DIP Credit Agreement at §11.1(e), Interim Order at ¶ M)

4. The provisions of the DIP Documents were extensively negotiated and the most favorable that the Debtors were able to negotiate. The DIP Credit Agreement enables the Debtors to obtain the financing necessary to maintain their operations, pursue reorganization, and maximize the value of their estates.

Jurisdiction

5. This Court has jurisdiction to consider this matter pursuant to 28 U.S.C. §§ 157 and 1334, and the *Amended Standing Order of Reference from the United States District Court for the District of Delaware*, dated as of February 29, 2012. This is a core proceeding

pursuant to 28 U.S.C. § 157(b). Venue is proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409.

Background

6. On the date hereof (the "Petition Date"), each of the Debtors commenced with this Court a voluntary case under chapter 11 of the Bankruptcy Code. The Debtors continue to operate their businesses and manage their properties as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. No trustee, examiner, or Creditors' Committee has been appointed in these chapter 11 cases.

7. Contemporaneously herewith, the Debtors have filed a motion requesting joint administration of the chapter 11 cases pursuant to Bankruptcy Rule 1015(b).

The Debtors' Businesses and Prepetition Indebtedness

8. Holdings is the direct or indirect parent company of the other Debtors. Southern Air, the Federal Aviation Administration certificated, indirect subsidiary of Holdings, is an experienced provider of long-haul, wide-body air cargo transportation services. Southern Air operates a fleet of eleven aircraft, including four Boeing 777s, four Boeing 747-400s, and three Boeing 747-200s. Southern Air's staff and flight operations are positioned around the world to facilitate global operations for both governmental and private sector customers. As of the Petition Date, the Debtors employed approximately 611 full-time employees.

9. As of July 31, 2012, the Debtors' unaudited and consolidated financial statements reflected assets totaling approximately $206.9 million and liabilities totaling approximately $486.5 million. The Debtors' significant prepetition indebtedness includes secured financing obligations in the amount of approximately $288 million and trade debt in the amount of approximately $31 million. In addition, the Debtors are the lessee under a number of aircraft operating leases.

10. Prior to the Petition Date, the Debtors began implementing a strategic operational plan that involved restructuring its operations around a smaller, more cost and fuel efficient fleet that would perform reliable, low-cost, low-risk services to select customers. However, over the past several months, the Debtors' liquidity has rapidly eroded due to the combined effect of fleet underutilization and above-market lease obligations. For the year ended July 31, 2012, the Debtors' unaudited and consolidated financial statements reflected revenues of approximately $428.2 million and a net loss of $159.8 million.

11. Additional information regarding the Debtors' business, capital structure, and the circumstances leading to this chapter 11 filing are described more fully in the *Declaration of Daniel J. McHugh in Support of the Debtors' Chapter 11 Petitions and First Day Relief* (the "McHugh Declaration"), filed contemporaneously herewith.

The Decision to Seek Postpetition Financing

12. As the Debtors' financial performance continued to deteriorate and liquidity pressures worsened during the third financial quarter of 2012, it became evident that the Debtors' secured debt and certain lease obligations must be restructured to address the situation. To that end, the Debtors' management, in cooperation with Zolfo Cooper, LLC ("Zolfo Cooper"), serving as financial advisor, approached their secured lenders and contacted CIBC, as the Prepetition Agent under the Prepetition Credit Agreement, to discuss the Debtors' financial condition and immediate liquidity issues and to explore potential restructuring scenarios. The Debtors also approached Oak Hill Capital Partners, the ultimate parent of both the Debtors and Oak Hill Aircraft Acquisition LLC, the beneficial owner of the four Boeing 777s leased by the Debtors. The Debtors quickly realized that an out-of-court restructuring was not feasible due to their rapidly deteriorating liquidity position, and determined that the best way to protect the

interests of all stakeholders and preserve the value of their enterprise as a going-concern would be the commencement of a case under the Bankruptcy Code.

13. To pursue an orderly in-court restructuring, the Debtors would need an immediate infusion of liquidity to fund operations during the pendency of these chapter 11 cases. Thus, prior to the Petition Date, the Debtors and Zolfo Cooper surveyed various sources of postpetition debtor in possession financing. Together, the Debtors and Zolfo Cooper contacted four top-tier lenders who have historically been active in the debtor in possession financing market as well as two strategic sources of investment.

14. Each of these parties declined to submit a proposal to provide financing in light of, among other things, the Debtors' current secured debt obligations, the limited amount of traditional asset-based loan collateral in the Debtors' operations, the current state of the aircraft, crew, maintenance, and insurance contracts market, and the fact that the Lenders likely would not consent to any debtor-in-possession financing facility that primed their prepetition liens (*i.e.*, a non-consensual priming fight would be required). Zolfo Cooper and the Debtors asked parties if they were willing to provide debtor-in-possession financing on unsecured or junior basis, and all of the parties declined.

The Debtors' Proposed Postpetition Financing

15. The Debtors subsequently engaged in extensive, arms'-length negotiations with CIBC, the Lenders, and OHAA regarding a comprehensive financial restructuring that would bridge the Debtors' short-term lack of liquidity, reduce the Debtors' lease obligations, and significantly reduce the amount of debt on the Debtors' consolidated balance sheet. These negotiations led to the execution of a Support Agreement, a copy of which is attached as Exhibit 1 to the McHugh Declaration.

16. Pursuant to the Support Agreement, the Debtors, the Lenders, and Oak Hill agreed that, among other things, (a) the Debtors' financial restructuring would be effectuated through cases under chapter 11 of the Bankruptcy Code, (b) the Debtors' commencement of chapter 11 cases would be subject to the execution and delivery of the DIP Credit Agreement, (c) to file and seek approval of the 1110 Motion and the 1110 Stipulation, (d) the Debtors would file a plan of reorganization ("Plan") and disclosure statement ("Disclosure Statement") in accordance with the term sheet attached to the Support Agreement within ten business days of the Petition Date, (e) the parties' obligations may be terminated in the event that certain milestones have not been achieved within a negotiated timeline, and (f) subject to certain conditions, the Lenders, and Oak Hill will support approval of the Disclosure Statement and confirmation of the Plan, and will not support or vote to accept any plan of reorganization not proposed or supported by the Debtors.

17. The material provisions of the DIP Financing are summarized in paragraph 2 above. Significantly, the DIP Financing includes the following components:

a. New Money Loans: A superpriority priming new money delayed draw term loan facility in the principal amount of $25,000,000.

b. Roll-Up Loans: Each of the Prepetition Lenders was offered the opportunity to enter into the DIP Credit Agreement. Those that chose to do so shall have the right to roll-up their pro rata share of $37,500,000 of the principal amount of the Prepetition Loans (the "Roll-Up Loans").

c. Use of Cash Collateral and granting adequate protection therefore.

18. Additionally, as described more fully in the 1110 Motion, the 1110 Stipulation provides the Debtors with (i) payments aggregating $10 million, including an initial $833,333.33 payment upon entry of the Interim Order, (ii) use of a $1,925,000 Oak Hill deposit to offset the Debtors' obligations to Boeing, and (iii) monthly payments of $166,666.66 (for five

years up to an aggregate of $10 million) upon the Debtors' payment of certain lease obligations (collectively, the "OHAA Payments").

19. The DIP Financing and the initial OHAA Payment will make available approximately $13.33 million to the Debtors immediately upon entry of the Interim Order, pending this Court's entry of the Final Order. Upon entry of the Final Order, the remainder of the DIP Financing will be available to the Debtors, and, subject to certain additional conditions, additional OHAA Payments also will be available. This funding should allow the Debtors to meet their administrative obligations during these chapter 11 cases in accordance with budgets approved by the Lenders and Oak Hill.

20. As security for the DIP Facility, the Debtors request that the DIP Lenders, Oak Hill and other DIP Secured Parties be granted (i) pursuant to section 364(c)(2) of the Bankruptcy Code, a first priority senior security interest in and lien upon all unencumbered Collateral of the Debtors (ii) pursuant to section 364(c)(3) of the Bankruptcy Code, a junior security interest in and lien upon all Collateral of the Debtors that are subject to valid, perfected, and unavoidable liens in existence as of the Petition Date (including, but not limited to, the Prepetition Liens), (ii) pursuant to section 364(d)(1) of the Bankruptcy Code, first priority senior priming security interests in and liens upon all Collateral of the Debtors that is subject to valid, perfected, and unavoidable liens of the Prepetition Lenders (and the priming liens of which liens has been agreed to by the Prepetition Lenders) (collectively, the "Postpetition Liens"); *provided, however*, that the Postpetition Liens shall be subject to the payment of the Carve Out. Moreover, the Postpetition Liens shall not be (i) made subject or subordinate to, or made *pari passu* with any other lien, security interest or claim existing as of the Petition Date (other than Permitted Liens), or created under sections 363 or 364(d) of the Bankruptcy Code or otherwise, and

(ii) subject to any lien or security interest that is avoided and preserved for the benefit of the Debtors' estates under section 551 of the Bankruptcy Code.

21. Pursuant to section 364(c)(1) of the Bankruptcy Code, the Debtors request that the DIP Lenders, Oak Hill and other DIP Secured Parties be granted allowed superpriority administrative expense claims against the Debtors with priority over all other administrative expenses, diminution claims (including the adequate protection obligations discussed below) and all other claims against the Debtors (the "Superpriority Claims"), subject and subordinate only to the Carve Out.

Proposed Adequate Protection and Use of Cash Collateral

22. To address their working capital needs and fund their reorganization efforts, the Debtors require the use of cash collateral of the Prepetition Lenders (the "Cash Collateral"). The DIP Documents and the 1110 Stipulation authorize the Debtors to use Cash Collateral in which the Prepetition Agent may have an interest. The proceeds of the DIP Facility, coupled with the use of the Cash Collateral (consistent with the Budget) will provide the Debtors with the capital necessary to operate their businesses, pay their employees, maximize value, and successfully reorganize under chapter 11.

23. As consideration for the Prepetition Lenders' consent to use of their Cash Collateral, the Prepetition Lenders are entitled, pursuant to sections 361 and 363(e) of the Bankruptcy Code, to adequate protection to protect the Prepetition Lenders from any diminution in value of their interests in the Prepetition Collateral (including Cash Collateral) resulting from (i) the use of such collateral and cash constituting proceeds of such collateral, (ii) the imposition of the DIP Lenders' priming liens including in respect of the Secured OHAA Payment Obligations , and (iii) the imposition of the automatic stay pursuant to section 362(a) of the

Bankruptcy Code. Accordingly, the Debtors have agreed to provide the Prepetition Lenders with the following adequate protection: (i) grant of valid, perfected and enforceable security interests equivalent to a lien granted under section 364(c) of the Bankruptcy Code in and upon all of the DIP Collateral solely to the extent there is a diminution in value of its interest in the Prepetition Collateral (the "Adequate Protection Liens"); *provided, however*, that such Adequate Protection Liens will be subject and subordinate only to the Permitted Liens, the Postpetition Liens (including, Postpetition Liens securing the Roll-Up Loans), and the Carve Out, (ii) grant of administrative expense claim pursuant to sections 503(b)(1), 507(a), and 507(b) of the Bankruptcy Code for the amount by which the adequate protection afforded in clause (i) of this paragraph for any diminution of value of the Prepetition Collateral from and after the Petition Date proves to be inadequate; *provided, however*, that such administrative expense claims granted to the Prepetition Lenders' shall be subject and subordinate to the Superpriority Claims granted to the DIP Lenders and the Carve Out, (iii) payment of all reasonable professional fees and expenses payable to the Prepetition Agent under the Prepetition Senior Credit Facility, and (iv) continued provision to the Prepetition Agent of financial and other reporting relating to the Debtors' businesses.

24. Given the Prepetition Lenders' consent to the use of their Cash Collateral, the proposed forms of adequate protection described above are needed for the purpose of, among other things, protecting the Prepetition Lenders' claims, obligations, and interest in collateral from potential depreciation during the pendency of these chapter 11 cases.

Basis for Relief Requested

25. Absent the relief requested herein, the Debtors ability to continue to operate their businesses and reorganize under chapter 11 of the Bankruptcy Code will be in

jeopardy. It is beyond peradventure that if the Debtors are unable to procure the funds necessary to pay postpetition wages and salaries, payroll taxes, and costs related to trade vendors, as well as other expenses required to maintain the Debtors' businesses as a going concern, that the Debtors will be forced to cease operations and any reorganization efforts will fail. Moreover, the availability of the postpetition financing will provide confidence to the Debtors' creditors that will enable and encourage them to continue their existing relationships with the Debtors.

A. Authority to Grant Liens and Superpriority Claims Should Be Approved

26. The Debtors propose to obtain financing set forth in the DIP Documents and the 1110 Stipulation by providing, among other things, superpriority claims, security interests, and liens pursuant to section 364(c) and (d) of the Bankruptcy Code. Section 364(c) of the Bankruptcy Code provides, among other things, that, if a debtor is unable to obtain unsecured credit allowable as an administrative expense under section 503(b)(1) of the Bankruptcy Code, the court may authorize the debtor to obtain credit or incur debt (i) with priority over any and all administrative expenses as specified in section 503(b) or 507(b) of the Bankruptcy Code, (ii) secured by a lien on property of the estate that is not otherwise subject to a lien, or (iii) secured by a junior lien on property of the estate that is subject to a lien. 11 U.S.C. § 364(c).

27. Section 364(d) of the Bankruptcy Code allows a debtor to obtain credit secured by a senior or equal lien on property of the estate that is subject to a lien, after notice and a hearing, provided that (i) the debtor is unable to obtain such credit otherwise, and (ii) there is adequate protection of the interest of the holder of the lien on the property of the estate on which such senior or equal lien is proposed to be granted. 11 U.S.C. § 364(d).

28. As discussed above, despite their efforts, the Debtors have been unable to (a) procure sufficient financing (i) in the form of unsecured credit allowable under

section 503(b)(1), (ii) as an administrative expense under section 364(a) or (b), (iii) in exchange for the grant of a superpriority administrative expense claim pursuant to section 364(c)(1), (iv) without granting limited priming liens pursuant to section 364(d), or (b) obtain postpetition financing or other financial accommodations from any alternative prospective lender or group of lenders on more favorable terms and conditions than those for which approval is sought herein.

29. Having determined that financing is available only under sections 364(c) and (d) of the Bankruptcy Code, the Debtors negotiated for the DIP Financing and OHAA Payments at arms' length. Provided that a debtor's business judgment does not run afoul of the provisions of, and policies underlying, the Bankruptcy Code, courts grant a debtor considerable deference in acting in accordance therewith. *See, e.g.*, *In re L.A. Dodgers LLC*, 457 B.R. 308, 313 (Bankr. D. Del. 2011) ("[C]ourts will almost always defer to the business judgment of a debtor in the selection of the lender."); *In re Ames Dep't Stores, Inc.*, 115 B.R. 34, 40 (Bankr. S.D.N.Y. 1990) ("Cases consistently reflect that the court's discretion under section 364 is to be utilized on grounds that permit reasonable business judgment to be exercised so long as the financing agreement does not contain terms that leverage the bankruptcy process and powers or its purpose is not so much to benefit the estate as it is to benefit parties in interest."); *see also In re Funding Sys. Asset Mgmt. Corp.*, 72 B.R. 87, 88 (Bankr. W.D. Pa. 1987); *In re Simasko Prod. Co.*, 47 B.R. 444, 449 (D. Colo. 1985).

30. Section 364 of the Bankruptcy Code does not require that a debtor seek alternative financing from every possible lender; rather, the debtor simply must demonstrate sufficient efforts to obtain financing without the need to grant a senior lien. *Bray v. Shenandoah Fed. Sav. & Loan Ass'n (In re Snowshoe Co.)*, 789 F.2d 1085, 1088 (4th Cir. 1986) (demonstrating that credit was unavailable absent the senior lien by establishment of

unsuccessful contact with other financial institutions in the geographic area); *L.A. Dodgers*, 457 B.R. at 313 (citing *Ames Dep't Store*, 115 B.R. at 37 (noting the court "may not approve any credit transaction under subsection (c) [of section 364] unless the debtor demonstrates that it has attempted, but failed, to obtain unsecured credit under section 364(a) or (b)"); *In re 495 Central Park Ave. Corp.*, 136 B.R. 626, 631 (Bankr. S.D.N.Y. 1992) (debtor testified to numerous failed attempts to procure financing from various sources, explaining that "most banks lend money only in return for a senior secured position"); *In re Aqua Assocs.*, 123 B.R. 192, 197 (Bankr. E.D. Pa. 1991) (debtor adequately established that some degree of priming loan was necessary if debtor were to obtain funding).

31. Furthermore, a debtor may borrow money under section 364(d)(4) of the Bankruptcy Code if the debtor meets its burden of establishing that the holder of the lien to be subordinated is adequately protected. *In re Futures Equity L.L.C.*, 2001 Bankr. LEXIS 2229 *14 (Bankr. N.D. Tex. April 11, 2001) (Houser, J.). The transaction "should provide the pre-petition secured creditor with the same level of protection it would have had if there had not been post-petition superpriority financing." *Id*. at *15 (internal citations omitted). The debtor also has the burden of demonstrating that (i) the credit transaction is necessary to preserve the estate and (ii) the terms of the transaction are fair and reasonable given the circumstances. *Id*.

32. Substantially all of the Debtors' assets are encumbered and, despite the diligent efforts of the Debtors and Zolfo Cooper, the Debtors have been unable to procure the necessary funding absent the proposed superpriority claims and limited consensual priming liens. As described above, the DIP Facility consensually primes the liens of the Prepetition Lenders, including CIBC, which are substantially all of the prepetition liens encumbering the Debtors' assets.

33. Furthermore, the Debtors have negotiated the best terms available to obtain funding they need to maintain sufficient liquidity to preserve their assets over the course of their chapter 11 cases. The pricing of the Roll-Up Loans is favorable, as the interest rate is consistent with the terms of the Prepetition Credit Agreement. The interest rate on the new money loans is within the range of market-rate rates and fair and reasonable in light of the credit profile of the Debtors, the nature and extent of the Collateral, and the business risks associated with the Debtors' operational restructuring. The adequate protection provided to the Prepetition Lenders is likewise fair and reasonable and appropriate under the circumstances.

34. The Debtors submit that the circumstances of these cases require the Debtors to obtain financing under sections 364(c) and (d) of the Bankruptcy Code, and accordingly, the DIP Facility reflects the exercise of their sound business judgment. The Debtors were unable to obtain financing on terms more favorable to the Debtors and the Debtors were not able to obtain alternative sources of financing.

35. The ability of the Debtors to continue to operate their businesses and reorganize under chapter 11 of the Bankruptcy Code depends upon their ability to obtain the DIP Financing and OHAA Payments. Without the proposed financing, the Debtors will not have the funds necessary to pay aircraft leases, postpetition wages and salaries, payroll taxes, and costs related to trade vendors, as well as other expenses required to be paid by the Debtors to maintain their businesses as a going concern. Unless these expenditures are made, the Debtors will be forced to cease operations, which would result in immediate and irreparable harm to their businesses and going concern value and would cripple the Debtors' ability to reorganize.

36. The DIP Financing, together with use of Cash Collateral and the OHAA Payments, will enable the Debtors to continue to operate their businesses in the ordinary course

and in an orderly and reasonable manner to preserve and enhance the value of their estates for the benefit of all parties in interest. The availability of credit under the DIP Facility will provide confidence to the Debtors' creditors that will enable and encourage them to continue their relationships with the Debtors. Finally, the implementation of postpetition financing will be viewed favorably by the Debtors' employees, customers and vendors, thereby promoting a successful reorganization. Accordingly, the timely approval of the relief requested herein is imperative.

B. Use of the Cash Collateral Should Be Approved

37. Under section 363(c)(2) of the Bankruptcy Code, a debtor may not use cash collateral unless "(a) each entity that has an interest in such cash collateral consents; or (b) the court, after notice and a hearing, authorizes such use in accordance with the provisions of this section." 11 U.S.C. § 363(c)(2). The Debtors require the use of the Cash Collateral to fund their operations in accordance with the DIP Documents. Indeed, absent such relief, the Debtors' business will be brought to an immediate halt, with damaging consequences for the Debtors and their estates and creditors. The interests of the Prepetition Lenders in the Debtors' Cash Collateral will be protected by the adequate protection set forth above. Accordingly, as part of the DIP Facility requested herein, the Debtors' request to use the Cash Collateral in the operation of their businesses and administration of these chapter 11 cases should be approved.

C. The Proposed Adequate Protection Should Be Authorized

38. Section 363(e) of the Bankruptcy Code provides that, "on request of an entity that has an interest in property used . . . or proposed to be used by a debtor in possession, the court . . . shall prohibit or condition such use . . . as is necessary to provide adequate protection of such interest." 11 U.S.C. § 363(e). Section 361 of the Bankruptcy Code delineates

the forms of adequate protection, which include periodic cash payments, additional liens, replacement liens and other forms of relief. 11 U.S.C. § 361. What constitutes adequate protection must be decided on a case-by-case basis. *See MNBank Dallas, N.A. v. O'Connor* (*In re O'Connor*), 808 F.2d 1393, 1396–97 (10th Cir. 1987); *Martin v. U.S. (In re Martin)*, 761 F.2d 472, 474 (8th Cir. 1985); *In re Shaw Indus., Inc.*, 300 B.R. 861, 865 (Bankr. W.D. Pa. 2003). The focus of the requirement is to protect a secured creditor from diminution in the value of its interest in the particular collateral during the period of use. *See In re Swedeland Dev. Group, Inc.*, 16 F.3d 552, 564 (3d Cir. 1994) ("The whole purpose of adequate protection for a creditor is to insure that the creditor receives the value for which he bargained prebankruptcy.") (internal citations omitted).

39. As noted above, as adequate protection for the Prepetition Lenders' interests, the Debtors will provide the Prepetition Lenders with the Replacement Liens, superpriority claims, and payment of certain fees and expenses. In consideration for such adequate protections provided to them, the majority of the Prepetition Lenders have consented to the Debtors' use of the Cash Collateral and, as described above, entered into the Support Agreement with the Debtors. Without access to the proposed DIP Facility and use of the Cash Collateral, the Debtors' liquidity will quickly dry up and the Debtors will be forced to cease operations, in a non-orderly manner. In contrast, the value of the Prepetition Lenders' interest in their collateral will be preserved, if not increased, by the DIP Facility because it ensures the uninterrupted continuance of the Debtors' operations.

40. The Adequate Protection Liens and other protections offered to the Prepetition Lenders described above will, taken together, sufficiently protect their interest in any

Prepetition Collateral. Accordingly, the adequate protection proposed here is fair and reasonable and sufficient to satisfy the requirements of sections 363(c)(2) and (e) of the Bankruptcy Code.

D. The Automatic Stay Should Be Modified on a Limited Basis

41. The relief requested herein contemplates a modification of the automatic stay (to the extent applicable) to permit the Debtors to (i) grant the security interests, liens, and superpriority claims described above and to perform such acts as may be requested to assure the perfection and priority of such security interests and liens; (ii) permit the DIP Lenders to exercise, upon the occurrence and during the continuance of an event of default and after five (5) business days' notice thereof, all rights and remedies under the DIP Credit Agreement; and (iii) implement the terms of the proposed Orders.

42. Stay modifications of this kind are ordinary and standard features of postpetition debtor financing facilities and, in the Debtors' business judgment, are reasonable and fair under the present circumstances.

E. Interim Approval Should Be Granted

43. Bankruptcy Rules 4001(b) and (c) provide that a final hearing on a motion to use cash collateral or obtain credit, respectively, may not be commenced earlier than fourteen (14) days after the service of such motion. Upon request, however, the Court is empowered to conduct a preliminary expedited hearing on the motion and authorize the use of cash collateral and the obtaining of credit to the extent necessary to avoid immediate and irreparable harm to a debtor's estate pending a final hearing.

44. Pursuant to Bankruptcy Rules 4001(b) and (c), the Debtors request that the Court conduct an expedited preliminary hearing on this motion and (a) authorize the Debtors to use the Cash Collateral and borrow on an interim basis up to $12.5 million under the DIP Facility

and to incur obligations with respect to additional amounts pursuant to the 1110 Stipulation, pending entry of a final order, in order to (i) maintain and finance the ongoing operations of the Debtors, and (ii) avoid immediate and irreparable harm and prejudice to the Debtors' estates and all parties in interest and (b) schedule the Final Hearing.

45. The Debtors have an urgent and immediate need for cash to continue to operate. Currently, the Debtors do not have sufficient funds with which to operate their businesses on an ongoing basis. Absent authorization from the Court to obtain secured credit, as requested, on an interim basis pending the Final Hearing, the Debtors will be immediately and irreparably harmed. The availability of interim loans under the DIP Facility will provide necessary assurance to the Debtors' vendors, employees, and clients of the Debtors' ability to meet their near-term obligations. Failure to meet these obligations and to provide these assurances likely would have a long-term negative impact on the value of the Debtors' businesses, to the detriment of all parties in interest. Accordingly, the interim relief requested is critical to preserving and maintaining the going concern value of the Debtors and facilitating their reorganization efforts.

46. The Debtors have prepared and agreed with the Lenders upon a budget of permitted expenses items and categories for which the proceeds of the DIP Financing and OHAA Payments may be used. The funds made available to the Debtors pursuant to the DIP Financing and 1110 Stipulation will be paid into an escrow account to be maintained by CIBC, as escrow agent, and released, subject to the satisfaction of certain conditions, for use in accordance with such budget (as same may be updated and modified from time to time).

Waiver of Bankruptcy Rules 6004(a) and (h)

47. To implement the foregoing successfully, the Debtors seek a waiver of the notice requirements under Bankruptcy Rule 6004(a) and the fourteen (14) day stay of an order authorizing the use, sale, or lease of property under Bankruptcy Rule 6004(h).

Notice

48. No trustee, examiner, or Creditors' Committee has been appointed in these chapter 11 cases. Notice of this Motion has been provided to (a) the Office of the United States Trustee for the District of Delaware; (b) each of the Debtors' thirty (30) largest unsecured creditors on a consolidated basis; (c) the Securities and Exchange Commission; (d) the Internal Revenue Service; (e) the United States Attorney's Office for the District of Delaware; (f) the United States Transportation Command; (g) the Defense Logistics Agency – Energy; (h) CIBC; (i) counsel to CIBC; (j) Oak Hill Capital Management; (k) counsel to Oak Hill; (l) all lessors under aircraft operating leases with Southern Air; and (m) any other party directly affected by this Motion. The Debtors respectfully submit that such notice is sufficient under the circumstances.

No Previous Request

49. No previous request for the relief sought herein has been made by the Debtors to this or any other court.

WHEREFORE the Debtors respectfully request entry of the Proposed Orders granting the relief requested herein and such other and further relief as the Court may deem just and appropriate.

Dated: September 28, 2012
Wilmington, Delaware

/s/ M. Blake Cleary

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Proposed Attorneys for the
Debtors and Debtors in Possession

Exhibit A

DIP Credit Agreement

EXECUTION COPY

SENIOR SECURED SUPER-PRIORITY DEBTOR-IN-POSSESSION CREDIT AGREEMENT,

dated as of September 28, 2012,

among

CARGO 360, INC.,
as the Borrower, a Debtor and a Debtor-in-Possession,

VARIOUS FINANCIAL INSTITUTIONS AND OTHER PERSONS
FROM TIME TO TIME PARTIES HERETO,
as the Lenders, and

CANADIAN IMPERIAL BANK OF COMMERCE, NEW YORK AGENCY,
as the Administrative Agent.

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SENIOR SECURED SUPER-PRIORITY DEBTOR-IN-POSSESSION CREDIT AGREEMENT

THIS SENIOR SECURED SUPER-PRIORITY DEBTOR-IN-POSSESSION CREDIT AGREEMENT, dated as of September 28, 2012, is among CARGO 360, INC., a Delaware corporation, as Borrower, a Debtor and a debtor-in-possession, the various financial institutions and other Persons from time to time parties hereto (collectively, the "Lenders") and CANADIAN IMPERIAL BANK OF COMMERCE, NEW YORK AGENCY ("CIBC"), as administrative agent for the Lenders (in such capacity, the "Administrative Agent").

W I T N E S S E T H:

WHEREAS, on September 28, 2012 (the "Petition Date"), the Debtors commenced Chapter 11 cases (the "Chapter 11 Cases") by filing separate voluntary petitions for reorganization under Chapter 11, 11 U.S.C. 101 et seq. (the "Bankruptcy Code"), with the United States Bankruptcy Court for the District of Delaware (the "Bankruptcy Court"). The Borrower and Guarantors continue to operate their businesses and manage their properties as Debtors and debtors-in-possession pursuant to Sections 1107(a) and 1108 of the Bankruptcy Code;

WHEREAS, prior to the Petition Date, each of the Lenders (or such Lenders' designated affiliates) held interests in a loan (the "Pre-Petition Loan") pursuant to that certain Credit Agreement (the "Pre-Petition Credit Agreement") dated as of September 6, 2007, among the Borrower and Canadian Imperial Bank of Commerce, New York Agency, as agent (the "Pre-Petition Agent") for the lenders (in such capacity the "Pre-Petition Lenders") (as amended or otherwise modified prior to the Petition Date by the First Amendment to Credit Agreement, dated as of October 24, 2007, the Second Amendment and Waiver to Credit Agreement and First Amendment to Second Forbearance Agreement to Credit Agreement, dated as of August 12, 2009, the Third Amendment and Waiver to Credit Agreement and Second Amendment to Second Forbearance Agreement to Credit Agreement, dated as of October 15, 2009, the Fourth Amendment and Waiver to Credit Agreement, dated as of December 10, 2009, the Fifth Amendment to Credit Agreement, dated as of February 25, 2010 and the Sixth Amendment to Credit Agreement, dated as of September 30, 2011) (and as further amended, supplemented and otherwise modified from time to time), and related definitive documentation, in each case as further amended, supplemented or otherwise modified prior to the date hereof, and including all exhibits and other ancillary documentation in respect thereof;

WHEREAS, the Borrower has requested that the Lenders provide a senior secured, super-priority term loan facility to the Borrower of up to twenty-five million Dollars ($25,000,000) in the aggregate to fund the working capital, general corporate needs and financing requirements of the Borrower and the other Obligors as Debtors and debtors-in-possession, during the pendency of the Chapter 11 Cases and for the other purposes specified herein;

WHEREAS, the Lenders are willing to make certain loans to the Borrower of up to such amount upon the terms and conditions set forth herein, and in consideration, in part, for the constitution of a portion of the Pre-Petition Loan as administrative priority claims and secured by super-priority priming liens pursuant to the Interim Order and the Final Order effectuated

through a deemed exchange of a portion of the Pre-Petition Loans for Roll-Up Loans as more fully described herein;

WHEREAS, to provide security for the repayment of the Obligations of the Obligors, the Obligors will provide and grant to the Administrative Agent, for the benefit of the Secured Parties, certain security interests, liens, and other rights and protections pursuant to the terms hereof, and, in the case of the Debtors, security interests and liens pursuant to Sections 364(c)(2), 364(c)(3) and 364(d)(1) of the Bankruptcy Code, and super-priority administrative expense claims pursuant to Section 364(c)(1) of the Bankruptcy Code, and other rights and protections, as more fully described herein;

WHEREAS, the business of the Borrower and the Obligors is a mutual and collective enterprise and the Borrower believes that the consolidation of all loans and other financial accommodations under this Agreement will enhance the aggregate borrowing powers of the Borrower and facilitate the administration of the Chapter 11 Cases and its loan relationship with the Lenders, all to the mutual advantage of the Borrower and its Subsidiaries;

WHEREAS, the Lenders' willingness to extend financial accommodations to the Borrower, is done solely as an accommodation to the Borrower and at the Borrower's request and in furtherance of the mutual and collective enterprise of the Obligors; and

WHEREAS, the Lenders are willing, on the terms and subject to the conditions hereinafter set forth, to extend the Commitments and make Loans to the Borrower;

NOW, THEREFORE, the parties hereto agree as follows.

ARTICLE I
DEFINITIONS AND ACCOUNTING TERMS

SECTION 1.1 Defined Terms. The following terms (whether or not underscored) when used in this Agreement, including its preamble and recitals, shall, except where the context otherwise requires, have the following meanings (such meanings to be equally applicable to the singular and plural forms thereof):

"1110 Collateral" means all equipment, as such term is described in 11 U.S.C. §1110(a)(3), now operated by Southern Air, Inc. or any other Grantor in which another party is entitled to the benefits of Section 1110 of the Bankruptcy Code

"777 Aircraft" is defined in the Support Agreement.

"777 Leases" is defined in the Support Agreement.

"Acceptable Plan" means a plan of reorganization that (i) if no Plan Term Sheet Event has occurred, is (and all exhibits thereto, related documents (including any documentation of an exit facility), and plan supplements are) consistent in all respects with the Plan Term Sheet (as such term is defined in the Support Agreement) and is (and all exhibits thereto, related documents (including any documentation of an exit facility), and plan supplements are) otherwise in form and substance reasonably acceptable to the Administrative Agent and the

Required Lenders or (ii) provides for the payment in full in cash of all Obligations (other than the Secured OHAA Payment Obligations) on or before the effective date of such Plan.

"Account Withdrawal" is defined in Section 5.3.

"Act" means the Air Transportation Safety and System Stabilization Act, P.L. 107−42, as the same may be amended from time to time.

"Administrative Agent" is defined in the preamble and includes each other Person appointed as the successor Administrative Agent pursuant to Section 9.4.

"Administrative Questionnaire" means an Administrative Questionnaire substantially in the form of Exhibit J hereto.

"Affiliate" of any Person means any other Person which, directly or indirectly, controls, is controlled by or is under common control with such Person. "Control" of a Person means the power, directly or indirectly, to direct or cause the direction of the management or policies of such Person (whether by voting, contract or otherwise).

"Agreement" means, on any date, this Senior Secured Super-Priority Debtor-in-Possession Credit Agreement as originally in effect on the Closing Date and as thereafter from time to time amended, supplemented, amended and restated or otherwise modified from time to time and in effect on such date.

"Aircraft Security Agreement" means the Aircraft Security Agreement executed and delivered by Authorized Officers of the Borrower and each of its Subsidiaries, substantially in the form of Exhibit K hereto, as amended, supplemented, amended and restated or otherwise modified from time to time.

"Aircraft SPV" means a limited liability company or other special purpose vehicle that has been organized solely to own aircraft and assets directly related to the operation thereof (and is not engaged in any other business activity).

"Alternate Base Rate" means, on any date and with respect to all Base Rate Loans, a fluctuating rate of interest *per annum* equal to the highest of (a) the Base Rate in effect on such day, (b) the Federal Funds Rate in effect on such day plus ½ of 1% and (c) the sum of (x) the one-month LIBO Rate (Reserve Adjusted) (after giving effect to any LIBO Rate "floor") *plus* (y) 1.0% *per annum*. Changes in the rate of interest on that portion of any Loans maintained as Base Rate Loans will take effect simultaneously with each change in the Alternate Base Rate. The Administrative Agent will give notice promptly to the Borrower and the Lenders of changes in the Alternate Base Rate; provided that the failure to give such notice shall not affect the Alternate Base Rate in effect after such change.

"Applicable Margin" means (i) with respect to the Loans (other than the Roll-Up Loans), 7.0% per annum with respect to Base Rate Loans and 8.0% per annum with respect to LIBO Rate Loans and (ii) with respect to the Roll-Up Loans, 4.00% per annum with respect to Base Rate Loans and 5.00% per annum with respect to LIBO Rate Loans.

"Approved Budget" means (i) initially, the thirteen-week cash flow forecast for the thirteen-week period beginning on the Closing Date substantially in the form of Exhibit M attached hereto, and (ii) thereafter, the most recent Supplemental Budget to become an "Approved Budget" pursuant to Section 7.1.15(a), in each case, as the same may be further amended, restated, amended and restated, supplemented or otherwise modified from time to time in accordance with this Agreement or with the written consent of the Required Lenders.

"Approved Fund" means any Person (other than a natural Person) that (a) is engaged in making, purchasing, holding or otherwise investing in commercial loans and similar extensions of credit in the ordinary course of its business, and (b) is administered or managed by a Lender, an Affiliate of a Lender or a Person or an Affiliate of a Person that administers or manages a Lender.

"Asset Sale/Insurance Escrow Account" means a segregated escrow account maintained in the name of the Administrative Agent by the Escrow Agent, which escrow account shall be maintained in accordance with the Asset Sale/Insurance Escrow Agreement.

"Asset Sale/Insurance Escrow Agreement" means an escrow agreement pursuant to which the Asset Sale/Insurance Account is maintained to be established no later than October 15, 2012 pursuant to documentation to be agreed among Oak Hill, the Administrative Agent and the Borrower.

"Authorized Officer" means, relative to any Obligor, those of its officers, general partners or managing members (as applicable) whose signatures and incumbency shall have been certified to the Administrative Agent and the Lenders pursuant to Section 5.1.1.

"Avoidance Actions" means all claims and causes of action under section 502(d), 544, 545, 547, 548, 549, 550, 553 or 724(a) of the Bankruptcy Code, and any other avoidance or similar action under the Bankruptcy Code or similar federal or state law.

"Bankruptcy Code" is defined in the recitals hereto.

"Bankruptcy Court" is defined in the recitals hereto.

"Base Rate" means, at any time, the rate of interest then most recently established by the Administrative Agent in New York as its base rate for Dollars loaned in the United States. The Base Rate is not necessarily intended to be the lowest rate of interest determined by the Administrative Agent in connection with extensions of credit.

"Base Rate Loan" means a Loan bearing interest at a fluctuating rate determined by reference to the Alternate Base Rate.

"Borrower" means Cargo 360 Inc., a Delaware corporation, a Debtor and debtor-in-possession.

"Borrowing" means Loans of the same type and, in the case of LIBO Rate Loans, having the same Interest Period, made by all Lenders required to make such Loans on the same Business Day and pursuant to the same Borrowing Request in accordance with Section 2.2.

"Borrowing Request" means a Loan request and certificate duly executed by an Authorized Officer of the Borrower substantially in the form of Exhibit B hereto.

"Business Day" means (a) any day which is neither a Saturday or Sunday nor a legal holiday on which banks are authorized or required to be closed in New York, New York and (b) relative to the making, continuing, prepaying or repaying of any LIBO Rate Loans, any day which is a Business Day described in clause (a) and which is also a day on which dealings in Dollars are carried on in the London interbank eurodollar market.

"Capital Securities" means, with respect to any Person, all shares, interests, participations or other equivalents (however designated, whether voting or non-voting) of such Person's capital, whether now outstanding or issued after the Closing Date.

"Capitalized Lease Liabilities" means, with respect to any Person, all monetary obligations of such Person and its Subsidiaries under any leasing or similar arrangement which have been (or, in accordance with GAAP, should be) classified as capitalized leases, and for purposes of each Loan Document, the amount of such obligations shall be the capitalized amount thereof, determined in accordance with GAAP, and the stated maturity thereof shall be the date of the last payment of rent or any other amount due under such lease prior to the first date upon which such lease may be terminated by the lessee without payment of a premium or a penalty.

"Carve-Out" shall have the meaning defined in the Interim Order or, when applicable, the Final Order.

"Carve-Out Account" is defined in Section 11.1(g).

"Carve-Out Cap" means $750,000.

"Carve-Out Trigger Notice" is defined in Section 11.1(g).

"Cash Collateral" shall have the meaning ascribed to such term in Section 363 of the Bankruptcy Code.

"Cash Equivalent Investment" means, at any time

(a) any direct obligation of (or unconditionally guaranteed by) the United States or a State thereof (or any agency or political subdivision thereof, to the extent such obligations are supported by the full faith and credit of the United States or a State thereof) maturing not more than one year after such time;

(b) commercial paper maturing not more than 270 days from the date of issue, which is issued by a corporation (other than an Affiliate of any Obligor) organized under the laws of any State of the United States or of the District of Columbia and rated A-1 or the equivalent thereof or higher by S&P or P-1 or the equivalent thereof or higher by Moody's;

(c) any certificate of deposit, time deposit or bankers acceptance, maturing not more than one year after its date of issuance, which is issued by any bank organized

under the laws of the United States (or any State thereof) and which has (x) a credit rating of A2 or higher from Moody's or A or higher from S&P and (y) a combined capital and surplus greater than $500,000,000; and

(d) solely with respect to clause (b) of Section 7.2.5 and in the case of Investments by any Foreign Subsidiary, other customarily utilized high quality Investments of the type set forth in clauses (a) through (c) above in the country where such Foreign Subsidiary is located.

"Casualty Event" means the damage, destruction or condemnation, as the case may be, of property of any Person or any of its Subsidiaries.

"CERCLA" means the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended.

"CERCLIS" means the Comprehensive Environmental Response Compensation Liability Information System List.

"Change in Control" means:

(a) the failure of Holdings at any time to directly own, beneficially and of record on a fully diluted basis, 100% of the outstanding Capital Securities of the Borrower, such Capital Securities to be held free and clear of all Liens (other than Liens granted under a Loan Document); or

(b) the failure of the Investors to directly or indirectly own, beneficially and of record on a fully diluted basis, a sufficient number of the issued and outstanding Capital Securities of Holdings to have and exercise voting power for the election of at least a majority of the board of directors or other managing body of Holdings, and in any event, at least 51% of the outstanding Capital Securities of Holdings, such Capital Securities to be held free and clear of all Liens.

"Change in Law" means the occurrence, after the date of this Agreement, of any of the following: (a) the adoption or taking effect of any law, rule, regulation or treaty, (b) any change in any law, rule, regulation or treaty or in the administration, interpretation, implementation or application thereof by any Governmental Authority or (c) the making or issuance of any request, rule, guideline or directive (whether or not having the force of law) by any Governmental Authority; provided that, notwithstanding anything herein to the contrary, (i) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, guidelines or directives thereunder or issued in connection therewith and (ii) all requests, rules, guidelines or directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or the United States or foreign regulatory authorities, in each case, pursuant to Basel III, shall in each case be deemed to be a "Change in Law," regardless of the date enacted, adopted or issued.

"Chapter 11 Cases" is defined in the recitals.

"Chapter 11 Order" means any order entered in the Chapter 11 Cases.

"CIBC" is defined in the preamble.

"Closing Date" means the first date on which the conditions precedent set forth in Sections 5.1 and 5.2 shall have been satisfied or waived.

"Closing Date Certificate" means the closing date certificate executed and delivered by an Authorized Officer of the Borrower in form and substance satisfactory to the Administrative Agent.

"Closing Date Term Loan" is defined in Section 2.1.1(a).

"Closing Date Term Loan Commitment" means, as to any Lender, the obligation of such Lender, if any, to make a Closing Date Term Loan to the Borrower on the Closing Date in a principal amount not to exceed the percentage of the Closing Date Term Loan Commitment Amount set forth opposite such Lender's name under the heading "Closing Date Term Loan Commitment" on Schedule 1 to its Lender Addendum, or, as the case may be, in the Lender Assignment Agreement pursuant to which such Lender became a party to this Agreement.

"Closing Date Term Loan Commitment Amount" means $12,500,000.

"Code" means the Internal Revenue Code of 1986, and the regulations thereunder, in each case as amended, reformed or otherwise modified from time to time.

"Collateral" has the meaning given to such term in the Security Agreement.

"Commitment" means, with respect to each Lender, its Closing Date Term Loan Commitment and its Final Order Term Loan Commitment.

"Committee" means the official committee of unsecured creditors appointed in the Chapter 11 Cases.

"Committee Documents" is defined in Section 7.1.1(i).

"Committee Investigation Fund" is defined in Section 11.1(g).

"Committee's Professionals" is defined in Section 11.1(g).

"Competitor" means any Person that is not a commercial bank, insurance company, fund or other financial institution and that is primarily engaged in the same line of business as the Borrower, namely, a cargo airline specializing in long haul, heavy-lift operations for ACMI and charter customers.

"Contingent Liability" means any agreement, undertaking or arrangement by which any Person guarantees, endorses or otherwise becomes or is contingently liable upon (by direct or indirect agreement, contingent or otherwise, to provide funds for payment, to supply funds to, or otherwise to invest in, a debtor, or otherwise to assure a creditor against loss) the Indebtedness or other obligation of any other Person (other than by endorsements of instruments in the course of collection), or guarantees the payment of dividends or other distributions upon the Capital

Securities of any other Person or is liable to maintain the solvency or any balance sheet item, level of income or financial condition of any other Person for the purpose of assuring a creditor against loss. The amount of any Person's obligation under any Contingent Liability shall (subject to any limitation set forth therein) be deemed to be the outstanding principal amount of the debt, obligation or other liability guaranteed thereby.

"Continuation/Conversion Notice" means a notice of continuation or conversion and certificate duly executed by an Authorized Officer of the Borrower, substantially in the form of Exhibit C hereto.

"Controlled Group" means all members of a controlled group of corporations and all members of a controlled group of trades or businesses (whether or not incorporated) under common control which, together with Holdings and/or the Borrower, are treated as a single employer under Section 414 of the Code or Section 4001 of ERISA.

"Court Documents" is defined in Section 7.1.1(g).

"Credit Extension" means the making of a Loan by a Lender.

"Debtor Relief Laws" means the Bankruptcy Code of the United States of America, and all other liquidation, conservatorship, bankruptcy, assignment for the benefit of creditors, moratorium, rearrangement, receivership, insolvency, reorganization, or similar debtor relief laws of the United States or other applicable jurisdictions from time to time in effect.

"Debtors" means the Borrower and the Guarantors.

"Debtors' Professionals" is defined in Section 11.1(g).

"Default" means any Event of Default or any condition, occurrence or event which, after notice or lapse of time or both, would constitute an Event of Default.

"Defaulting Lender" means, subject to Section 4.12.2, any Lender that (a) has failed to (i) fund all or any portion of its Loans within two Business Days of the date such Loans were required to be funded hereunder unless such Lender notifies the Administrative Agent and the Borrower in writing that such failure is the result of such Lender's determination that one or more conditions precedent to funding (each of which conditions precedent, together with any applicable default, shall be specifically identified in such writing) has not been satisfied, or (ii) pay to the Administrative Agent or any other Lender any other amount required to be paid by it hereunder within two Business Days of the date when due, (b) has notified the Borrower or the Administrative Agent or in writing that it does not intend to comply with its funding obligations hereunder, or has made a public statement to that effect (unless such writing or public statement relates to such Lender's obligation to fund a Loan hereunder and states that such position is based on such Lender's determination that a condition precedent to funding (which condition precedent, together with any applicable default, shall be specifically identified in such writing or public statement) cannot be satisfied), (c) has failed, within three Business Days after written request by the Administrative Agent or the Borrower, to confirm in writing to the Administrative Agent and the Borrower that it will comply with its prospective funding obligations hereunder (provided that such Lender shall cease to be a Defaulting Lender pursuant to this clause (c) upon

receipt of such written confirmation by the Administrative Agent and the Borrower), or (d) has, or has a direct or indirect parent company that has, (i) become the subject of a proceeding under any Debtor Relief Law, or (ii) had appointed for it a receiver, custodian, conservator, trustee, administrator, assignee for the benefit of creditors or similar Person charged with reorganization or liquidation of its business or assets, including the Federal Deposit Insurance Corporation or any other state or federal regulatory authority acting in such a capacity; provided that a Lender shall not be a Defaulting Lender solely by virtue of the ownership or acquisition of any equity interest in that Lender or any direct or indirect parent company thereof by a Governmental Authority so long as such ownership interest does not result in or provide such Lender with immunity from the jurisdiction of courts within the United States or from the enforcement of judgments or writs of attachment on its assets or permit such Lender (or such Governmental Authority) to reject, repudiate, disavow or disaffirm any contracts or agreements made with such Lender. Any determination by the Administrative Agent that a Lender is a Defaulting Lender under any one or more of clauses (a) through (d) above shall be conclusive and binding absent manifest error, and such Lender shall be deemed to be a Defaulting Lender (subject to Section 4.12.2) upon delivery of written notice of such determination to the Borrower and each Lender.

"DIP Facility" means the credit facility evidenced by this Agreement.

"Disclosure Schedule" means the Disclosure Schedule attached hereto as Schedule I, as it may be amended, supplemented, amended and restated or otherwise modified from time to time by the Borrower with the written consent of the Required Lenders.

"Disclosure Statement" is defined in Section 7.1.14(a).

"Disposition" (or similar words such as "Dispose") means any sale, transfer, lease (other than a sublease), contribution or other conveyance (including by way of merger) of, or the granting of options, warrants or other rights to, any of the Borrower's or its Subsidiaries' assets (including accounts receivable and Capital Securities of Subsidiaries) to any other Person (other than to another Obligor) in a single transaction or series of transactions.

"Disqualified Capital Securities" means any Capital Securities of Holdings, the Borrower or any Subsidiary that, either by their terms or by the terms of any security into which they are convertible or for which they are exchangeable, or upon the happening of any event or condition (including the passage of time), (a) mature or are mandatorily redeemable (other than solely for Qualified Capital Securities) pursuant to a sinking fund obligation or otherwise (except as a result of a change of control or asset sale so long as any rights of the holders thereof upon the occurrence of a change of control or asset sale event shall be subject to the occurrence of the Termination Date), (b) are redeemable at the option of the holder thereof (other than solely for Qualified Capital Securities), in whole or in part, (c) provide for the scheduled payments of dividends in cash, or (d) are or become convertible into or exchangeable for Indebtedness, in each case, prior to the first anniversary of the Stated Maturity Date.

"Dollar" and the sign "$" mean lawful money of the United States.

"EBITDA" means, for any applicable period, the sum of (without duplication) (a) Net Income for such period, plus (b) to the extent deducted in determining Net Income, the sum of

(i) amounts attributable to amortization, (ii) income tax expense, (iii) interest expense, (iv) depreciation of assets, (v) any non-cash expenses, charges or losses (other than accruals or reserves for potential cash items in any future period), which are not expected to result in a cash charge or loss in such period or in a future period, (vi) any non-cash extraordinary losses, (vii) any non-cash non-recurring losses, (viii) any non-cash compensation charges or other non-cash expenses or charges arising from the grant of or issuance or repricing of stock, stock options or other equity-based awards to the directors, officers and employees of Holdings and its Subsidiaries, and (ix) any out-of-pocket litigation costs, expenses, judgments and settlements incurred by Holdings and its Subsidiaries with respect to any litigation in which Holdings and its Subsidiaries is the defendant (other than any workers compensation, EEO and other ordinary course disputes or controversies), minus (c) to the extent increasing Net Income, all non-cash non-recurring gains and other non-cash items, as determined in accordance with GAAP, minus (d) gains increasing Net Income attributable to any cancellation or extinguishment of Indebtedness, refinancing transaction or amendment or modification of any debt instrument (including any amendment or other modification of the Obligations and the Loans).

"Eligible Assignee" means (a) a Lender; (b) an Affiliate of a Lender; (c) an Approved Fund; or (d) any other Person (other than a natural Person, the Borrower, any Competitor or any other Person taking direction from, or working in concert with, the Borrower, any of the Borrower's Affiliates or any Competitor); provided that neither a Defaulting Lender nor any of its Subsidiaries, or any Person who, upon becoming a Lender hereunder, would constitute a Defaulting Lender or its Subsidiary shall be a "Eligible Assignee".

"Environmental Laws" means all applicable foreign, federal, state or local statutes, laws (including common law), ordinances, codes, rules and regulations (including consent decrees and administrative orders) relating to protection of the environment or public health and safety as it relates to environmental protection.

"Equity Payment" is defined in Section 3.3.3.

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended, and any successor statute thereto of similar import, together with the regulations thereunder, in each case as in effect from time to time. References to Sections of ERISA also refer to any successor Sections thereto.

"ERISA Event" means (a) any "reportable event", as defined in Section 4043 of ERISA or the regulations issued thereunder with respect to a Pension Plan (other than an event for which the thirty (30)-day notice period is waived), (b) the failure of any Pension Plan to meet the minimum funding standard applicable to the Pension Plan for a plan year under Section 412 of the Code or Section 302 of ERISA, whether or not waived, (c) the filing pursuant to Section 412(c) of the Code or Section 302(c) of ERISA of an application for a waiver of the minimum funding standard with respect to any Plan, (d) the incurrence by the Borrower or any member of a Controlled Group of any liability under Title IV of ERISA with respect to the termination of any Pension Plan, (e) the receipt by the Borrower or any member of a Controlled Group from the PBGC or a plan administrator of any notice relating to an intention to terminate any Pension Plan or Pension Plans or to appoint a trustee to administer any Pension Plan, (f) the incurrence by the Borrower or any member of a Controlled Group of any liability with respect to

the withdrawal or partial withdrawal from any Pension Plan or Multiemployer Plan, (g) the receipt by the Borrower or any member of a Controlled Group of any notice concerning the imposition of Withdrawal Liability or a determination that a Multiemployer Plan is, or is expected to be, insolvent or in reorganization, within the meaning of Title IV of ERISA or in critical or endangered status, within the meaning of Section 432 of the Code or Section 305 of ERISA, (h) the determination that any Pension Plan is in at-risk status, within the meaning of Section 430 of the Code of Section 303 of ERISA, (i) the incurrence by the Borrower or any member of a Controlled Group of any liability pursuant to Section 4063 or 4064 of ERISA or a cessation of operations with respect to a Pension Plan within the meaning of Section 4062(e) of ERISA, (j) the imposition of any liability under Title IV of ERISA, other than for PBGC premiums due but not delinquent under Section 4007 of ERISA, upon the Borrower or any member of a Controlled Group, (k) the engagement by the Borrower or any member of a Controlled Group in a transaction that could be subject to Section 4069 or Section 4212(c) of ERISA, (l) the imposition of a Lien with respect to a Pension Plan pursuant to Section 430(k) of the Code or Section 303(k) or 4068 of ERISA, or (m) making of an amendment to a Pension Plan that could result in the posting of a bond or security under Section 436(f)(1) of the Code.

"Escrow Accounts" means, collectively, the Loan Proceeds Escrow Account and the Asset Sale/Insurance Escrow Account.

"Escrow Agent" means Canadian Imperial Bank of Commerce, New York Agency or such other financial institution as the Administrative Agent shall approve in its sole discretion.

"Event of Default" is defined in Section 8.1.

"Exclusivity Periods" is defined in Section 7.2.17(e).

"Exemption Certificate" is defined in clause (e) of Section 4.6.

"Extraordinary Receipts" means (i) any gross cash proceeds received by the Holdings or any of its Subsidiaries not in the ordinary course of business (other than cash proceeds of Dispositions or Casualty Events), including, without limitation, (a) foreign, United States, state or local tax refunds, (b) pension plan reversions, (c) judgments, proceeds of settlements or arbitration or other consideration of any kind in connection with any cause of action, (d) indemnity payments, (e) any purchase price adjustment received in connection with any purchase agreement, (f) refunds from any Governmental Authority and (g) return of amounts otherwise held in escrow (other than in the Escrow Accounts) and maintenance reserves minus (ii) to the extent attributable to amounts accrued after the Closing Date, the sum of (x) all taxes actually paid or estimated by the Borrower or its Subsidiaries to be payable in cash within the next 12 months in connection therewith and (y) all reasonable and customary legal, investment banking, brokerage and accounting fees and expenses and recording and filing fees and other customary closing costs incurred in connection with such transaction.

"FATCA" means Sections 1471 through 1474 of the Code, as of the date of this Agreement (or any amended or successor version that is substantively comparable and not materially more onerous to comply with), any current or future regulations or official

interpretations thereof and any agreements entered into pursuant to Section 1471(b)(1) of the Code.

"Federal Funds Rate" means, for any period, a fluctuating interest rate per annum equal for each day during such period to (a) the weighted average of the rates on overnight federal funds transactions with members of the Federal Reserve System arranged by federal funds brokers, as published for such day (or, if such day is not a Business Day, for the next preceding Business Day) by the Federal Reserve Bank of New York; or (b) if such rate is not so published for any day which is a Business Day, the average of the quotations for such day on such transactions received by the Administrative Agent from three federal funds brokers of recognized standing selected by it.

"Fee Letter" means the Fee Letter, dated September 28, 2012, from the Administrative Agent to the Borrower.

"Filing Statements" means all UCC financing statements or other similar financing statements and UCC (Form UCC-3) termination statements required pursuant to the Loan Documents.

"Final Order" means the order of the Bankruptcy Court entered in the Chapter 11 Cases after a final hearing under Bankruptcy Rule 4001(c)(2) or such other procedures as approved by the Bankruptcy Court, which order shall be substantially in the form of the Interim Order, provided that it shall specify that Roll-up Loans in an aggregate amount of $37,500,000 are deemed to be an administrative expense claim pari passu with the Loans and secured by a super-priority senior secured Lien on and interest in the Collateral and it shall otherwise be reasonably satisfactory in form and substance to the Administrative Agent at the direction of the Required Lenders, together with all extensions, modifications, amendments or supplements thereto, in each case in form and substance reasonably satisfactory to the Administrative Agent at the direction of the Required Lenders, which, among other matters but not by way of limitation, authorizes (i) the Obligors to obtain credit, incur (or guaranty) Indebtedness and grant Liens under this Agreement and the other Loan Documents, as the case may be, provides for the super-priority of all of the Administrative Agent's and the Lenders' claims and provides for the super-priority of the Roll-Up Loans and (ii) the Lenders to make available the Final Order Term Loans in an aggregate amount of $12,500,000 (in addition to the $12,500,000 of Closing Date Term Loans made available pursuant to the Interim Order) in accordance with the terms and conditions of this Agreement.

"Final Order Date" means the date on which the Final Order in entered by the Bankruptcy Court.

"Final Order Term Loan" is defined in Section 2.1.2(a).

"Final Order Term Loan Commitment" means, as to any Lender, the obligation of such Lender, if any, to make a Final Order Term Loan to the Borrower on the Final Order Date in a principal amount not to exceed the percentage of the Final Order Term Loan Commitment Amount set forth opposite such Lender's name under the heading "Final Order Term Loan

Commitment" on Schedule 1 to its Lender Addendum, or, as the case may be, in the Lender Assignment Agreement pursuant to which such Lender became a party to this Agreement.

"Final Order Term Loan Commitment Amount" means $12,500,000.

"First Day Orders" means all orders entered by the Bankruptcy Court in the Chapter 11 Cases pursuant to motions and applications filed by the Debtors on or within two (2) days after the Petition Date, in each case in form and substance, reasonably satisfactory to the Administrative Agent at the direction of the Required Lenders.

"Fiscal Quarter" means a quarter ending on the last day of March, June, September or December.

"Fiscal Year" means any period of twelve consecutive calendar months ending on December 31; references to a Fiscal Year with a number corresponding to any calendar year (e.g., the "2012 Fiscal Year") refer to the Fiscal Year ending on December 31 of such calendar year.

"Foreign Subsidiary" means any Subsidiary that is not a U.S. Subsidiary.

"F.R.S. Board" means the Board of Governors of the Federal Reserve System or any successor thereto.

"GAAP" is defined in Section 1.4.

"Governmental Authority" means the government of the United States, any other nation or any political subdivision thereof, whether state or local, and any agency, authority, instrumentality, regulatory body, court, central bank or other Person exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government.

"Guarantor" means, collectively, Holdings and each Subsidiary Guarantor.

"Hazardous Material" means

(a) any "hazardous substance", as defined by CERCLA;

(b) any "hazardous waste", as defined by RCRA; or

(c) any material, substance, waste, form of energy or pathogen regulated, classified or characterized as a "pollutant", "contaminant", "hazardous material", "hazardous chemical", or material, substance or waste that is characterized, defined or regulated within the meaning of any applicable Environmental Law.

Without limiting the generality of the foregoing, Hazardous Material shall include any substance that contains any asbestos, polychlorinated biphenyls, or petroleum, or substances that are flammable, explosive, radioactive or corrosive.

"Hedging Agreements" means currency exchange agreements, interest rate swap agreements, interest rate cap agreements, interest rate collar agreements, commodity price protection agreements and all other agreements or arrangements designed to protect a Person against fluctuations in interest rates, currency exchange rates or commodity prices.

"Hedging Obligations" means, with respect to any Person, all liabilities of such Person under Hedging Agreements.

"herein", "hereof", "hereto", "hereunder" and similar terms contained in any Loan Document refer to such Loan Document as a whole and not to any particular Section, paragraph or provision of such Loan Document.

"Holdings" means Southern Air Holdings, Inc., a Delaware corporation, a Debtor and a debtor-in-possession.

"Holdings Guaranty and Pledge Agreement" means the Holdings Guaranty and Pledge Agreement, dated as of the Closing Date, executed and delivered by an Authorized Officer of Holdings, substantially in the form of Exhibit H hereto, as amended, supplemented, amended and restated or otherwise modified from time to time.

"including" and "include" means including without limiting the generality of any description preceding such term, and, for purposes of each Loan Document, the parties hereto agree that the rule of ejusdem generis shall not be applicable to limit a general statement, which is followed by or referable to an enumeration of specific matters, to matters similar to the matters specifically mentioned.

"Indebtedness" of any Person means:

(a) all obligations of such Person for borrowed money or advances and all obligations of such Person evidenced by bonds, debentures, notes or similar instruments;

(b) all obligations, contingent or otherwise, relative to the face amount of all letters of credit (unless cash collateralized), whether or not drawn, and banker's acceptances issued for the account of such Person;

(c) all Capitalized Lease Liabilities of such Person;

(d) net Hedging Obligations of such Person;

(e) whether or not so included as liabilities in accordance with GAAP, all obligations of such Person to pay the deferred purchase price of property or services (excluding trade accounts payable in the ordinary course of business which are not overdue for a period of more than 90 days or, if overdue for more than 90 days, as to which collection is stayed by virtue of the Chapter 11 Cases or a dispute exists and adequate reserves in conformity with GAAP have been established on the books of such Person), and indebtedness secured by (or for which the holder of such indebtedness has an existing right, contingent or otherwise, to be secured by) a Lien on property owned or being acquired by such Person (including indebtedness arising under conditional sales or

other title retention agreements), whether or not such indebtedness shall have been assumed by such Person or is limited in recourse;

(f) obligations arising under Synthetic Leases;

(g) the outstanding amount of Disqualified Capital Securities; and

(h) all Contingent Liabilities of such Person in respect of any of the foregoing.

The Indebtedness of any Person shall include the Indebtedness of any other Person (including any partnership in which such Person is a general partner) to the extent such Person is liable therefor as a result of such Person's ownership interest in or other relationship with such Person, except to the extent the terms of such Indebtedness provide that such Person is not liable therefor.

"Indemnified Liabilities" is defined in Section 10.4.

"Indemnified Parties" is defined in Section 10.4.

"Interest Payment Date" means (a) with respect to any Base Rate Loan, each Monthly Payment Date to occur while such Loan is outstanding; (b) with respect to any LIBO Rate Loan having an Interest Period of three months or less, the last day of such Interest Period; (c) with respect to any LIBO Rate Loan having an Interest Period longer than three months, on each one month anniversary of the commencement of such Interest Period and on the last day of such Interest Period; (d) as to any Loan, the date of any repayment or prepayment made in respect thereof; and (e) with respect to all Loans, the Stated Maturity Date for such Loan.

"Interest Period" means, relative to any LIBO Rate Loan, the period beginning on (and including) the date on which such LIBO Rate Loan is made or continued as, or converted into, a LIBO Rate Loan pursuant to Sections 2.2 or 2.3 and shall end on (but exclude) the day which numerically corresponds to such date one or three months (or, if such month has no numerically corresponding day, on the last Business Day of such month), as the Borrower may select in its relevant notice pursuant to Section 2.2 or 2.3; provided that

(a) the Borrower shall not be permitted to select Interest Periods to be in effect at any one time which have expiration dates occurring on more than five different dates;

(b) if such Interest Period would otherwise end on a day which is not a Business Day, such Interest Period shall end on the next following Business Day (unless such next following Business Day is the first Business Day of a calendar month, in which case such Interest Period shall end on the Business Day next preceding such numerically corresponding day); and

(c) no Interest Period for any Loan may end later than the Stated Maturity Date for such Loan.

"Interim Order" means the order of the Bankruptcy Court entered in the Chapter 11 Cases after an interim hearing and pursuant to the standards prescribed in Section 364 of the Bankruptcy Code and Bankruptcy Rule 4001 and other applicable law, which shall be reasonably satisfactory in form and substance to the Administrative Agent at the direction of the Required Lenders, together with all extensions, modifications, amendments and supplements thereto, in form and substance reasonably satisfactory to the Administrative Agent at the direction of the Required Lenders, which, among other matters but not by way of limitation, authorizes the Lenders to make available Closing Date Term Loans in an aggregate principal amount of $12,500,000 in accordance with the terms and conditions of this Agreement.

"Investment" means, relative to any Person,

(a) any loan, advance or extension of credit made by such Person to any other Person, including the purchase by such Person of any bonds, notes, debentures or other debt securities of any other Person;

(b) Contingent Liabilities in favor of any other Person; and

(c) any Capital Securities held by such Person in any other Person.

The amount of any Investment shall be the original principal or capital amount thereof less all returns of principal or equity thereon and shall, if made by the transfer or exchange of property other than cash, be deemed to have been made in an original principal or capital amount equal to the fair market value of such property at the time of such Investment.

"Investors" means Oak Hill Cargo 360, LLC and its Affiliates.

"Lender Addendum" means, as to each Lender party hereto on the Closing Date, the Lender Addendum delivered on or before the Closing Date by such Lender to the Administrative Agent, in each case, in form and substance satisfactory to the Administrative Agent.

"Lender Assignment Agreement" means an assignment agreement substantially in the form of Exhibit D hereto.

"Lender's Environmental Liability" means any and all losses, liabilities (including any strict liabilities), obligations, penalties, claims, litigation, demands, defenses, costs, judgments, suits, proceedings, damages (including consequential damages), disbursements or expenses of any kind or nature whatsoever (including reasonable attorneys' fees at trial and appellate levels and experts' fees and disbursements and expenses incurred in investigating, defending against or prosecuting any litigation, claim or proceeding) which may at any time be imposed upon, incurred by or asserted or awarded against the Administrative Agent, any Lender or any of such Person's Affiliates, shareholders, directors, officers, employees, and agents in connection with or arising from:

(a) any Hazardous Material alleged to be on, in, under or affecting all or any portion of any property of Holdings or any of its Subsidiaries, the groundwater thereunder, or, to the extent alleged to be caused by Releases from Holdings' or any of its

Subsidiaries' or any of their respective predecessors' properties, any surrounding areas thereof;

(b) any misrepresentation, inaccuracy or breach of any warranty, contained or referred to in Section 6.12;

(c) any violation or claim of violation by Holdings or any of its Subsidiaries of any Environmental Laws; or

(d) the imposition of any lien for damages caused by or the recovery of any costs for the cleanup, release or threatened release of Hazardous Material by Holdings or any of its Subsidiaries, or in connection with any property owned or formerly owned by Holdings or any of its Subsidiaries.

"Lenders" is defined in the preamble.

"LIBO Rate" means, relative to any Interest Period for LIBO Rate Loans, the rate per annum determined on the basis of the rate for deposits in Dollars for a period equal to such Interest Period appearing on Reuters Screen LIBOR 01 as of 11:00 a.m., London time, two Business Days prior to the beginning of such Interest Period (as specified in the applicable Borrowing Request or Continuation/Conversion Notice); provided that, in the event that such rate does not appear on Reuters Screen LIBOR 01 (or otherwise on such screen), the "LIBO Rate" shall be determined by reference to such other comparable publicly available service for displaying eurodollar rates as may be selected by the Administrative Agent or, in the absence of such availability, by reference to the rate per annum at which the Administrative Agent is offering Dollar deposits of comparable amounts at or about 10:00 a.m., New York City time, two Business Days prior to the beginning of such Interest Period in the interbank eurodollar market where its eurodollar and foreign currency and exchange operations are then being conducted for delivery in immediately available funds on the first day of such Interest Period for the number of days comprised therein.

"LIBO Rate Loan" means a Loan bearing interest, at all times during an Interest Period applicable to such Loan, at a rate of interest determined by reference to the LIBO Rate (Reserve Adjusted).

"LIBO Rate (Reserve Adjusted)" means, relative to any Loan to be made, continued or maintained as, or converted into, a LIBO Rate Loan for any Interest Period, a rate per annum (rounded upwards, if necessary, to the nearest 1/100th of 1%) determined pursuant to the following formula:

$$\text{LIBO Rate (Reserve Adjusted)} = \frac{\text{LIBO Rate}}{1.00 - \text{LIBOR Reserve Percentage}}$$

The LIBO Rate (Reserve Adjusted) for any Interest Period for LIBO Rate Loans will be determined by the Administrative Agent on the basis of the LIBOR Reserve Percentage in effect two Business Days before the first day of such Interest Period. Notwithstanding the foregoing, the LIBO Rate (Reserve Adjusted) shall at no time be less than (i) with respect to the Loans

(other than the Roll-Up Loans), 2.5% per annum and (ii) with respect to the Roll-Up Loans, 1.0% per annum.

"LIBOR Office" means, with respect to each Lender, the office of such Lender designated as its "LIBOR Office" in its Administrative Questionnaire or such other office designated from time to time by notice from such Lender to the Borrower and the Administrative Agent, whether or not outside the United States, which shall be making or maintaining the LIBO Rate Loans of such Lender.

"LIBOR Reserve Percentage" means, relative to any Interest Period for LIBO Rate Loans, the reserve percentage (expressed as a decimal) equal to the maximum aggregate reserve requirements (including all basic, emergency, supplemental, marginal and other reserves and taking into account any transitional adjustments or other scheduled changes in reserve requirements) specified under regulations issued from time to time by the F.R.S. Board and then applicable to assets or liabilities consisting of or including "Eurocurrency Liabilities", as currently defined in Regulation D of the F.R.S. Board, having a term approximately equal or comparable to such Interest Period.

"License" means any authorization, permit, consent, franchise, ordinance, registration, certificate, license, agreement or other right filed with, granted by, or entered into by a Governmental Authority with respect to Holdings or its Subsidiaries.

"Lien" means any security interest, mortgage, pledge, hypothecation, assignment, deposit arrangement, encumbrance, lien (statutory or otherwise), charge against or interest in property, or other priority or preferential arrangement of any kind or nature whatsoever, to secure payment of a debt or performance of an obligation.

"Liquidity Amount" means, at any time, unrestricted cash on hand and unrestricted Cash Equivalent Investments of the Borrower and the Subsidiary Guarantors at such time that is free of all Liens (other than Liens securing the Obligations).

"Loan Documents" means, collectively, this Agreement, the Notes, the Security Agreement, the Holdings Guaranty and Pledge Agreement, the Aircraft Security Agreement, the Fee Letter, the Loan Proceeds Escrow Agreement, the Asset Sale/Insurance Escrow Agreement and each other agreement pursuant to which the Administrative Agent is granted a Lien to secure the Obligations, the Subsidiary Guaranty and each other agreement, certificate, document or instrument executed and/or delivered in connection with any Loan Document, whether or not specifically mentioned herein or therein.

"Loan Proceeds Escrow Account" means a segregated escrow account maintained in the name of the Administrative Agent by the Escrow Agent, which escrow account shall be maintained in accordance with the Loan Proceeds Escrow Agreement.

"Loan Proceeds Escrow Agreement" means an escrow agreement, substantially in the form of Exhibit L hereto, pursuant to which the Escrow Account is maintained.

"Loans" means the Closing Date Term Loans, the Final Order Term Loans and the Roll-Up Loans.

"Material Adverse Effect" means a material adverse effect on (i) the business, results of operations, financial condition, assets, liabilities or properties of Holdings and its Subsidiaries, taken as a whole, (ii) the rights and remedies of any Secured Party under any Loan Document or (iii) the ability of any material Obligor to perform its material Obligations, in each case, other than as customarily would occur as a result of the filing of the Chapter 11 Cases or the effect of bankruptcy or those circumstances and events leading up thereto.

"Material Contract" means, with respect to the Borrower or any Subsidiary, each contract (other than the Loan Documents) to which such Person is a party involving aggregate consideration payable to or by such Person of $1,000,000 or more in any year or otherwise material to the business or operations of the Borrower and the Subsidiaries, taken as a whole.

"Material Customer Contracts" means, at any time, contracts between any of the Borrower and its Subsidiaries and customers of the Borrower and its Subsidiaries, so long as the customers for such contracts represent more than 20% of the revenues of the Borrower and its Subsidiaries, on a consolidated basis.

"Milestones" is defined in Section 7.1.14.

"Monthly Payment Date" means the last Business Day of each calendar month.

"Moody's" means Moody's Investors Service, Inc.

"Mortgage" means each mortgage, deed of trust or agreement executed and delivered by any Obligor in favor of the Administrative Agent for the benefit of the Secured Parties pursuant to the requirements of this Agreement, in each case in form and substance reasonably satisfactory to the Administrative Agent, under which a Lien is granted on the real property and fixtures described therein, in each case as amended, supplemented, amended and restated or otherwise modified from time to time.

"Multiemployer Plan" means a multiemployer plan, as such term is defined in Section 4001(a)(3) of ERISA.

"Net Casualty Proceeds" means, with respect to any Casualty Event, the amount of any insurance proceeds or condemnation awards received by the Borrower or any of its Subsidiaries in connection with such Casualty Event (net of all taxes, collection fees and expenses and, to the extent attributable to the period following the Closing Date, the cost of the repair or restoration of the affected property), but excluding any proceeds or awards required to be paid to (x) a creditor (other than the Lenders) which holds a first priority Lien permitted by clause (b) of Section 7.2.3 on the property which is the subject of such Casualty Event or (y) in the case of a leased property, to the lessor under the lease of such property.

"Net Debt Proceeds" means, with respect to the incurrence, sale or issuance by the Borrower or any of its Subsidiaries of any Indebtedness after the Closing Date which is not expressly permitted by Section 7.2.2, (a) the gross cash proceeds actually received by such Person from such incurrence, sale or issuance minus (b) all reasonable and customary arranging or underwriting fees and commissions, and all legal, investment banking, brokerage and accounting and other professional fees, sales commissions and disbursements and other

reasonable and customary closing costs and expenses, in each case actually incurred in connection with such incurrence, sale or issuance other than any such fees, commissions or disbursements paid to Affiliates of such Person in connection therewith.

"Net Disposition Proceeds" means, with respect to any Disposition by the Borrower or any of its Subsidiaries pursuant to clause (c) of Section 7.2.9, (a) the gross cash proceeds received by such Person from such Disposition and any cash payment received in respect of promissory notes or other non-cash consideration delivered to the Borrower or its Subsidiaries in respect thereof minus (b) the sum of (i) all reasonable and customary legal, investment banking, brokerage and accounting fees and expenses and recording and filing fees and other customary closing costs incurred in connection with such Disposition and (ii) payments made by the Borrower or its Subsidiaries to retire Indebtedness (other than the Credit Extensions) where payment of such Indebtedness is required in connection with such Disposition; provided that if the amount of any estimated taxes pursuant to clause (b)(ii) exceeds the amount of taxes actually required to be paid in cash in respect of such Disposition, the aggregate amount of such excess shall constitute Net Disposition Proceeds.

"Net Income" means, for any period, the aggregate of all amounts (including all amounts in respect of any extraordinary gains and extraordinary losses) which would be included as net income on the consolidated financial statements of Holdings and its Subsidiaries for such period.

"Net Liquidity" means the Liquidity Amount of the Borrower and its Subsidiaries plus the aggregate amount in the Loan Proceeds Escrow Account available for disbursement.

"Non-Defaulting Lender" means, at any time, each Lender that is not a Defaulting Lender at such time.

"Non-Excluded Taxes" means any Taxes other than (a) net income Taxes and franchise Taxes (imposed in lieu of net income Taxes) and backup withholding Taxes, in each case imposed on or with respect to any Secured Party by the U.S. or any Governmental Authority under the laws of which such Secured Party is organized or in which its principal office is located or in which it maintains its applicable lending office or in which it is engaged in a trade or business or has current or former presence for tax purposes (other than solely by reason of the transactions pursuant to this Agreement), (b) any branch profits Taxes imposed by the U.S. or any similar Tax imposed by any other jurisdiction described in clause (a) above, (c) any withholding Taxes imposed on amounts payable to a Secured Party at the time such Secured Party becomes a party to this Agreement (or designates a new lending office), except to the extent that such Secured Party's assignor (if any) (or the Secured Party, in the case of the designation of a new lending office) was entitled, at the time of assignment (or designation of a new lending office), to receive additional amounts from the Borrower with respect to such Non-Excluded Taxes pursuant to clause (a) or (d) of Section 4.6, (d) any Taxes that are imposed as a result of any event occurring after the Secured Party becomes a Secured Party other than a change in law or regulation or the introduction of any law or regulation or a change in interpretation or administration of any law, or (e) any U.S. federal withholding Taxes imposed under FATCA.

"Non-U.S. Lender" means any Lender that is not a "United States person", as defined under Section 7701(a)(30) of the Code.

"Note" means a promissory note of the Borrower payable to any Lender, in the form of Exhibit A hereto (as such promissory note may be amended, endorsed or otherwise modified from time to time), evidencing the aggregate Indebtedness of the Borrower to such Lender resulting from outstanding Loans, and also means all other promissory notes accepted from time to time in substitution therefor or renewal thereof.

"Oak Hill" means, collectively, OHAA, Oak Hill Cargo 360, LLC and Oak Hill Capital Partners II, L.P.

"Obligations" means all obligations (monetary or otherwise, whether absolute or contingent, matured or unmatured) of the Borrower and each other Obligor arising under or in connection with a Loan Document and the Orders, the Secured OHAA Payment Obligations, and the principal of and premium, if any, and interest (including interest accruing during the pendency of the Chapter 11 Cases) on the Loans. For the avoidance of doubt, Obligations shall include the principal of, interest on and other amounts owing with respect to the Roll-Up Loans pursuant to the Orders.

"Obligor" means, as the context may require, the Borrower, Holdings, each Subsidiary Guarantor and each other Person (other than a Secured Party) obligated under any Loan Document.

"OHAA" means OH Aircraft Acquisition, LLC.

"Orders" means the Interim Order and the Final Order.

"Organic Document" means, relative to any Obligor, as applicable, its certificate of incorporation, by-laws, certificate of partnership, partnership agreement, certificate of formation, limited liability agreement, operating agreement and all shareholder agreements, voting trusts and similar arrangements applicable to any of such Obligor's Capital Securities.

"Other Taxes" means any and all stamp, documentary or similar Taxes, or any other excise or property Taxes or similar levies that arise on account of any payment made or required to be made under any Loan Document or from the execution, delivery, registration, recording or enforcement of any Loan Document.

"Participant" is defined in clause (e) of Section 10.11.

"Patriot Act" is defined in Section 10.17.

"PBGC" means the Pension Benefit Guaranty Corporation and any Person succeeding to any or all of its functions under ERISA.

"Pension Plan" means a pension plan subject to Title IV of ERISA (other than a Multiemployer Plan) and to which the Borrower or any corporation, trade or business that is, along with the Borrower, a member of a Controlled Group, may have liability.

"Percentage" means, relative to any Lender, the applicable percentage which such Lender's undrawn Commitment and Loans then constitutes of the aggregate undrawn Commitments and Loans as such percentage may be adjusted from time to time pursuant to Lender Assignment Agreements executed by such Lender and its assignee Lender and delivered pursuant to Section 10.11.

"Permitted Deviation" is defined in Section 7.1.15(b).

"Permitted Refinancing" means, with respect to any Person, any modification, refinancing, refunding, renewal or extension of any Indebtedness of such Person; provided that (a) the principal amount (or accreted value, if applicable) thereof does not exceed the principal amount (or accreted value, if applicable) of the Indebtedness so modified, refinanced, refunded, renewed or extended except by an amount equal to a reasonable premium or other reasonable amount paid and reasonably satisfactory to the Administrative Agent, and fees and expenses reasonably incurred, in connection with such modification, refinancing, refunding, renewal or extension and by an amount equal to any existing commitments unutilized thereunder or as otherwise permitted pursuant to Section 7.2.2; (b) such modification, refinancing, refunding, renewal or extension has a final maturity date equal to or later than the final maturity date of the Indebtedness being modified, refinanced, refunded, renewed or extended; and (c) if the Indebtedness being modified, refinanced, refunded, renewed or extended is subordinated in right of payment to the Loans, such modification, refinancing, refunding, renewal or extension is subordinated in right of payment to the Loans on terms at least as favorable to the Lenders as those contained in the documentation governing the Indebtedness being modified, refinanced, refunded, renewed or extended.

"Person" means any natural person, corporation, limited liability company, partnership, joint venture, association, trust or unincorporated organization, Governmental Authority or any other legal entity, whether acting in an individual, fiduciary or other capacity.

"Petition Date" is defined in the recitals.

"Plan" is defined in Section 7.1.14(a).

"Plan Term Sheet Event" means that any of the following shall have occurred (unless waived by the Administrative Agent and the Required Lenders): (i) there shall be a breach or termination of any party's (other than a Lender's) obligations under the Support Agreement; (ii) any court of competent jurisdiction or other competent governmental or regulatory authority issues a ruling, determination, or order making illegal or otherwise restricting, enjoining, preventing or prohibiting the consummation of the restructuring substantially on the terms set forth in the Support Agreement, including, without limitation, an order of the Bankruptcy Court denying approval of the Support Agreement or confirmation of the Plan; or (iii) any law or order shall have been enacted, adopted or issued by any governmental entity that prohibits the implementation of the Plan or the transactions contemplated therein or by the other Plan supplements.

"Post-Petition" means the time period beginning immediately upon the filing of the Chapter 11 Cases.

"Pre-Petition" means the time period ending immediately prior to the Petition Date.

"Pre-Petition Agent" is defined in the recitals.

"Pre-Petition Credit Agreement" is defined in the recitals.

"Pre-Petition Indebtedness" means any and all Indebtedness of the Obligors incurred prior to and outstanding on the Petition Date.

"Pre-Petition Lenders" is defined in the recitals.

"Pre-Petition Liens" means any and all valid and perfected Liens granted pursuant to the Prepetition Credit Agreement in existence on the Petition Date.

"Pre-Petition Loan" is defined in the recitals.

"Pre-Petition Obligations" means the Obligations as defined in the Pre-Petition Credit Agreement.

"Pre-Petition Security Agreement" means the "Security Agreement" and the "Holdings Guaranty and Pledge Agreement" as defined in the Pre-Petition Credit Agreement.

"Prepayment Notice" means a voluntary prepayment notice and certificate duly executed by an Authorized Officer of the Borrower substantially in the form of Exhibit I hereto.

"Primed Liens" is defined in Section 11.1(e).

"Qualified Capital Securities" means any Capital Securities that are not Disqualified Capital Securities.

"Rationalization Strategy" means the aircraft and equipment rationalization strategy developed by the Debtors and reasonably acceptable to the Required Lenders.

"RCRA" means the Resource Conservation and Recovery Act, 42 U.S.C. Section 6901, et seq., as amended.

"Register" is defined in clause (a) of Section 2.5.

"Regulations" means the regulations for Air Carrier Guarantee Loan Program issued pursuant to the Act, 14 C.F.R. Part 1300, as the same may be amended from time to time.

"Release" means a "release", as such term is defined in CERCLA.

"Released Parties" is defined in Section 11.4.

"Removal Effective Date" is defined in Section 9.4(b).

"Replacement Lender" is defined in clause (c) of Section 10.12.

"Requested Account Withdrawal Date" is defined in Section 5.3.

"Required Lenders" means, at any time, Lenders holding more than 50% of the Total Exposure Amount. The outstanding principal amount of all Loans and the unfunded amount of the Commitments of any Defaulting Lender shall be disregarded in determining Required Lenders at any time.

"Resignation Effective Date" is defined in Section 9.4(a).

"Restricted Payment" means, with respect to any Person, (a) the declaration or payment of any dividend (other than dividends payable solely in Capital Securities of such Person) on, or the making of any payment or distribution on account of, or the repurchase, redemption or other acquisition of, or setting apart assets for a sinking or other analogous fund for the purchase, redemption, defeasance, retirement or other acquisition of, any class of Capital Securities of the such Person or any warrants, options or other right or obligation to purchase or acquire any such Capital Securities, whether now or hereafter outstanding, (b) the making of any other distribution in respect of such Capital Securities, in each case either directly or indirectly, whether in cash, property or obligations of such Person or otherwise or (c) the payment of any management or similar fees and any expenses payable to the Investors.

"Roll-Up Loan" means the portion of the Pre-Petition Loan held by the Lenders or their respective Affiliates which are constituted as administrative priority claims and granted super-priority priming liens pursuant to the Orders. The aggregate principal amount of the Roll-Up Loans shall be $37,500,000. The principal amount of the Roll-Up Loans of each Lender shall be set forth opposite such Lender's name under the heading "Roll-Up Loan" on Schedule 1 to its Lender Addendum, or, as the case may be, in the Lender Assignment Agreement pursuant to which such Lender became a party to this Agreement.

"Rollover Debt" is defined in clause (b) of Section 7.2.2.

"S&P" means Standard & Poor's Ratings Services, a division of The McGraw-Hill Companies, Inc.

"Section 1110 Stipulation" means that certain Section 1110 Agreement and Order Under Sections 363 and 1110 of the Bankruptcy Code Regarding Section 1110 Compliance and Related Matters, filed with the Bankruptcy Court on September 28, 2012, among the Debtors, Wells Fargo Bank Northwest, N.A., in its capacity as Owner Trustee, and Oak Hill, as amended, supplemented, amended and restated or otherwise modified from time to time with the consent of the Required Lenders (such consent not to be unreasonably withheld).

"Secured OHAA Payment Obligations" means the obligations under the Section 1110 Stipulation to repay amounts actually received by the Debtors (or deemed received by the Debtors in the case of the Boeing Credit (as defined in the Section 1110 Stipulation)) from Oak Hill during the pendency of the Chapter 11 Cases pursuant to the terms of the Section 1110 Stipulation.

"Secured Parties" means, collectively, (i) the Lenders, the Administrative Agent and each of their respective successors, transferees and permitted assigns and (ii) solely, with respect to

the Secured OHAA Payment Obligations, Oak Hill. For purposes of any determination to be made for purposes of Section 4.1, 4.2, 4.3, 4.4, 4.5, 4.6, 4.7(a), 4.7(b) (other than to the extent relating to the proceeds arising from the sale, liquidation or other disposition of, or the exercise of remedies against, Collateral), 4.9 and 4.10, "Secured Parties" shall refer to the parties in clause (i) only.

"Security Agreement" means the Pledge and Security Agreement executed and delivered by Authorized Officers of the Borrower, each of its U.S. Subsidiaries and Holdings, substantially in the form of Exhibit G hereto, as amended, supplemented, amended and restated or otherwise modified from time to time.

"Senior Liens" is defined in Section 11.1(d).

"Southern Air" means Southern Air Inc., a Delaware corporation, a Debtor and debtor-in-possession.

"Stated Maturity Date" means the earliest to occur of (i) the date that is 180 days after the entry of the Interim Order, (ii) the date that is 45 days after the date of entry of the Interim Order if the Final Order has not been entered by such date, (iii) the date the Bankruptcy Court orders the conversion of any Chapter 11 Case of Holdings, the Borrower or Southern Air to a Chapter 7 liquidation or the dismissal of any Chapter 11 Case of Holdings, the Borrower or Southern Air, (iv) the acceleration of the Loans and the termination of the Commitments in accordance with the Loan Documents and (v) the effective date of any Chapter 11 plan of any Debtor that is confirmed pursuant to an order entered by the Bankruptcy Court.

"Subsidiary" means, with respect to any Person, any other Person of which more than 50% of the outstanding Voting Securities of such other Person (irrespective of whether at the time Capital Securities of any other class or classes of such other Person shall or might have voting power upon the occurrence of any contingency) is at the time directly or indirectly owned or controlled by such Person, by such Person and one or more other Subsidiaries of such Person, or by one or more other Subsidiaries of such Person. Unless the context otherwise specifically requires, the term "Subsidiary" shall be a reference to a Subsidiary of the Borrower.

"Subsidiary Guarantor" means each Subsidiary that has executed and delivered to the Administrative Agent the Subsidiary Guaranty (including by means of a delivery of a supplement thereto).

"Subsidiary Guaranty" means the Subsidiary Guaranty executed and delivered by an Authorized Officer of each U.S. Subsidiary pursuant to the terms of this Agreement, substantially in the form of Exhibit F hereto, as amended, supplemented, amended and restated or otherwise modified from time to time.

"Supplemental Budget" is defined in Section 7.1.15(a).

"Support Agreement" means the Support Agreement executed and delivered by Authorized Officers of each of the Debtors, Oak Hill and the consenting lenders party thereto as amended, supplemented, amended and restated or otherwise modified from time to time with the consent of the Required Lenders.

"Synthetic Lease" means, as applied to any Person, any lease (including leases that may be terminated by the lessee at any time) of any property (whether real, personal or mixed) (a) that is not a capital lease in accordance with GAAP and (b) in respect of which the lessee retains or obtains ownership of the property so leased for federal income tax purposes, other than any such lease under which that Person is the lessor.

"Taxes" means all income, franchise, stamp or other taxes, duties, levies, imposts, charges, assessments, fees, deductions or withholdings, now or hereafter imposed, levied, collected, withheld or assessed by any Governmental Authority, and all interest, penalties or similar liabilities with respect thereto.

"Termination Date" means the date on which all Obligations (other than contingent indemnity obligations not then due and payable) have been paid in full in cash (or, in the case of the Secured OHAA Payment Obligations, have been otherwise provided for in accordance with the terms of the Section 1110 Stipulation or on other terms satisfactory to Oak Hill in its sole discretion) and all Commitments shall have terminated.

"Total Exposure Amount" means, on any date of determination (and without duplication), the outstanding principal amount of all Loans and the unfunded amount of the Commitments.

"type" means, relative to any Loan, the portion thereof, if any, being maintained as a Base Rate Loan or a LIBO Rate Loan.

"U.S. Subsidiary" means any Subsidiary that is incorporated or organized under the laws of the United States, a state thereof or the District of Columbia, other than any such entity wholly owned by a Foreign Subsidiary.

"U.S. Trustee" means the representative of the Office of the United States Trustee from time to time participating in the Chapter 11 Cases.

"UCC" means the Uniform Commercial Code as in effect from time to time in the State of New York; provided that if, with respect to any Filing Statement or by reason of any provisions of law, the perfection or the effect of perfection or non-perfection of the security interests granted to the Administrative Agent pursuant to the applicable Loan Document is governed by the Uniform Commercial Code as in effect in a jurisdiction of the United States other than New York, then "UCC" means the Uniform Commercial Code as in effect from time to time in such other jurisdiction for purposes of the provisions of each Loan Document and any Filing Statement relating to such perfection or effect of perfection or non-perfection.

"United States" or "U.S." means the United States of America, its fifty states and the District of Columbia.

"United States Citizen" is defined in Section 6.18(a).

"Variance Report" is defined in Section 7.1.15(a).

"Voting Securities" means, with respect to any Person, Capital Securities of any class or kind ordinarily having the power to vote for the election of directors, managers or other voting members of the governing body of such Person.

"wholly owned Subsidiary" means any Subsidiary all of the outstanding Capital Securities of which (other than any director's qualifying shares or investments by foreign nationals mandated by applicable laws) is owned directly or indirectly by the Borrower.

"Withdrawal Certificate" means a certificate in the form attached to the Loan Proceeds Escrow Agreement or the Asset Sale/Insurance Escrow Agreement, as applicable.

"Withdrawal Liability" means liability to a Multiemployer Plan as a result of a complete or partial withdrawal from such Multiemployer Plan, as such terms are defined in Part I of Subtitle E of Title IV of ERISA.

SECTION 1.2 Use of Defined Terms. Unless otherwise defined or the context otherwise requires, terms for which meanings are provided in this Agreement shall have such meanings when used in each other Loan Document and the Disclosure Schedule.

SECTION 1.3 Cross-References. Unless otherwise specified, references in a Loan Document to any Article or Section are references to such Article or Section of such Loan Document, and references in any Article, Section or definition to any clause are references to such clause of such Article, Section or definition.

SECTION 1.4 Accounting and Financial Determinations. Unless otherwise specified, all accounting terms used in each Loan Document shall be interpreted, and all accounting determinations and computations thereunder shall be made, in accordance with those generally accepted accounting principles ("GAAP") applied in the preparation of the financial statements delivered pursuant to the Pre-Petition Credit Agreement. Unless otherwise expressly provided, all financial covenants and defined financial terms shall be computed on a consolidated basis for Holdings and its Subsidiaries, in each case without duplication.

ARTICLE II
COMMITMENTS, BORROWING PROCEDURES, AND NOTES

SECTION 2.1 Commitments. On the terms and subject to the conditions of this Agreement, the Lenders severally agree to make Credit Extensions as set forth below.

SECTION 2.1.1 Closing Date Term Loan Commitment.

(a) In one Borrowing occurring on the Closing Date, each Lender that has a Closing Date Term Loan Commitment agrees that it will make loans (relative to such Lender, its "Closing Date Term Loans") to the Borrower equal to such Lender's Percentage of the aggregate amount of the Borrowing of Closing Date Term Loans requested by the Borrower to be made on such day. Each Lender's Closing Date Term Loan Commitment shall terminate immediately and without further action on the Closing Date after giving effect to the funding of such Lender's

Closing Date Term Loan Commitment on such date. No amounts paid or prepaid with respect to Closing Date Term Loans may be reborrowed.

(b) The proceeds of the Closing Date Term Loans shall be applied by Borrower to (i) the amounts to be paid on the Closing Date pursuant to the Approved Budget and (ii) fund the Loan Proceeds Escrow Account on the Closing Date.

SECTION 2.1.2 Final Order Term Loan Commitment.

(a) In one Borrowing occurring on the Final Order Date, each Lender that has a Final Order Term Loan Commitment agrees that it will make loans (relative to such Lender, its "Final Order Term Loans") to the Borrower equal to such Lender's Percentage of the aggregate amount of the Borrowing of Final Order Term Loans requested by the Borrower to be made on such day. Each Lender's Final Order Term Loan Commitment shall terminate immediately and without further action on the Final Order Date after giving effect to the funding of such Lender's Final Order Term Loan Commitment on such date. No amounts paid or prepaid with respect to Final Order Term Loans may be reborrowed.

(b) The proceeds of the Final Order Term Loans shall be applied by Borrower on the Final Order Date to fund the Loan Proceeds Escrow Account.

(c) On the Final Order Date, such Final Order Term Loans shall be coordinated with all other Closing Date Term Loans (including, without limitation, through an increase to the amount of any LIBO Rate Loan in respect of any then-outstanding Interest Period) such that each LIBO Rate Loan and each Base Rate Loan is allocated ratably among the Lenders in accordance with their then-outstanding Closing Date Term Loans.

SECTION 2.1.3 Roll-Up Loans.

On the terms and subject to the conditions contained in this Agreement and in the Orders, Prepetition Loans held by each Lender hereunder shall be substituted and deemed exchanged for (and deemed prepaid by) the Roll-Up Loans of such Lender in the amounts set forth on Schedule 1 to its Lender Addendum.

SECTION 2.2 Borrowing Procedure. By delivering a Borrowing Request to the Administrative Agent on or before 12:00 noon New York City time on a Business Day, the Borrower may from time to time irrevocably request, on not less than one Business Day's notice in the case of Base Rate Loans, or three Business Days' notice in the case of LIBO Rate Loans, and in either case not more than five Business Days' notice, that a Borrowing be made, in the case of LIBO Rate Loans, in a minimum amount of $500,000 and an integral multiple of $100,000, in the case of Base Rate Loans, in a minimum amount of $100,000 and an integral multiple of $100,000 or, in either case, in the unused amount of the applicable Commitment; provided that all of the initial Loans shall be made either (x) as Base Rate Loans and may not be converted into LIBO Rate Loans until the date that is three Business Days following the Closing Date or (y) so long as the Borrower shall have delivered to the Administrative Agent notice thereof at least three Business Days in advance and a funding indemnity letter reasonably satisfactory to the Administrative Agent, LIBO Rate Loans having an Interest Period of one month. On the terms and subject to the conditions of this Agreement, each Borrowing shall be

comprised of the type of Loans, and shall be made on the Business Day, specified in such Borrowing Request. On or before 11:00 a.m. New York City time on such Business Day, each Lender that has a Commitment to make the Loans being requested shall deposit with the Administrative Agent same day funds in an amount equal to such Lender's Percentage of the requested Borrowing. Such deposit will be made to an account which the Administrative Agent shall specify from time to time by notice to the Lenders. To the extent funds are received from the Lenders, the Administrative Agent shall make such funds available to the Borrower by wire transfer to the accounts the Borrower shall have specified in its Borrowing Request. No Lender's obligation to make any Loan shall be affected by any other Lender's failure to make any Loan.

SECTION 2.3 Continuation and Conversion Elections. By delivering a Continuation/Conversion Notice to the Administrative Agent on or before 12:00 noon New York City time on a Business Day, the Borrower may from time to time irrevocably elect, (a) on not less than one Business Day's notice and not more than five Business Days' notice, that all or certain (in an aggregate minimum amount of $100,000 and an integral multiple of $100,000) of its outstanding LIBO Rate Loans be converted into Base Rate Loans or (b) on not less than three Business Day's notice and not more than five Business Days' notice, that all or certain (in an aggregate minimum amount of $500,000 and an integral multiple of $100,000) of its outstanding Base Rate Loans be converted into LIBO Rate Loans or any of its outstanding LIBO Rate Loans be continued as LIBO Rate Loans (in the absence of delivery of a Continuation/Conversion Notice with respect to any LIBO Rate Loan at least three Business Days (but not more than five Business Days) before the last day of the then current Interest Period with respect thereto, such LIBO Rate Loan shall, on such last day, automatically convert to a Base Rate Loan); provided that (x) each such conversion or continuation shall be pro rated among the applicable outstanding Loans of all Lenders that have made such Loans, and (y) upon the occurrence and during the continuation of any Event of Default or any Default no portion of the outstanding principal amount of any Loans may be continued as, or be converted into, LIBO Rate Loans when any Default or Event of Default has occurred and is continuing.

SECTION 2.4 Funding. Each Lender may, if it so elects, fulfill its obligation to make, continue or convert LIBO Rate Loans hereunder by causing one of its foreign branches or Affiliates (or an international banking facility created by such Lender) to make or maintain such LIBO Rate Loan; provided that such LIBO Rate Loan shall nonetheless be deemed to have been made and to be held by such Lender, and the obligation of the Borrower to repay such LIBO Rate Loan shall nevertheless be to such Lender for the account of such foreign branch, Affiliate or international banking facility. In addition, the Borrower hereby consents and agrees that, for purposes of any determination to be made for purposes of Section 4.1, 4.2, 4.3 or 4.4, it shall be conclusively assumed that each Lender elected to fund all LIBO Rate Loans by purchasing Dollar deposits in its LIBOR Office's interbank eurodollar market.

SECTION 2.5 Register; Notes. The Register shall be maintained on the following terms.

(a) The Borrower hereby designates the Administrative Agent to serve as the Borrower's agent, solely for the purpose of this clause, to maintain a register (the "Register") on which the Administrative Agent will record each Lender's Commitment, the Loans made by

each Lender and any interest thereon, and each repayment in respect of the principal amount of the Loans or any interest, annexed to which the Administrative Agent shall retain a copy of each Lender Assignment Agreement delivered to the Administrative Agent pursuant to Section 10.11. Failure to make any recordation, or any error in such recordation, shall not affect any Obligor's Obligations. The entries in the Register shall be conclusive, in the absence of manifest error, and the Borrower, the Administrative Agent and the Lenders shall treat each Person in whose name a Loan is registered (or, if applicable, to which a Note has been issued) as the owner thereof for the purposes of all Loan Documents, notwithstanding notice or any provision herein to the contrary. Any assignment or transfer of a Commitment or the Loans made pursuant hereto shall be registered in the Register only upon delivery to the Administrative Agent of a Lender Assignment Agreement that has been executed by the requisite parties pursuant to Section 10.11. No assignment or transfer of a Lender's Commitment or Loans shall be effective unless such assignment or transfer shall have been recorded in the Register by the Administrative Agent as provided in this Section. The Administrative Agent is authorized to provide a copy of the Register to the Bankruptcy Court for the purpose of allowing the Bankruptcy Court to determine the Lenders of record for the purpose of determining the amount and identity of the holders of the Roll-Up Loan in accordance with the Final Order.

(b) The Borrower agrees that, upon request to the Administrative Agent by any Lender, the Borrower will execute and deliver to such Lender a Note evidencing the Loans made by, and payable to the order of, such Lender in a maximum principal amount equal to such Lender's Loans, as the case may be. The Borrower hereby irrevocably authorizes each Lender to make (or cause to be made) appropriate notations on the grid attached to such Lender's Note (or on any continuation of such grid), which notations, if made, shall evidence, inter alia, the date of, the outstanding principal amount of, and the interest rate and Interest Period applicable to the Loans evidenced thereby. Such notations shall, to the extent not inconsistent with notations made by the Administrative Agent in the Register, be conclusive and binding on each Obligor absent manifest error; provided that the failure of any Lender to make any such notations shall not limit or otherwise affect any Obligations of any Obligor.

(c) The Administrative Agent shall maintain accounts in which it shall record (i) the amount of each Loan made hereunder, the type thereof and the Interest Period applicable thereto, (ii) the amount of any principal or interest due and payable or to become due and payable from the Borrower to each Lender hereunder and (iii) the amount of any sum received by the Administrative Agent hereunder for the account of the Lenders and each Lender's share thereof.

(d) The entries made in the accounts maintained pursuant to paragraph (c) of this Section shall be prima facie evidence of the existence and amounts of the obligations recorded therein, provided that the failure of any Lender or the Administrative Agent to maintain such accounts or any error therein shall not in any manner affect the obligation of the Borrower to repay the Loans in accordance with the terms of this Agreement and the Pre-Petition Loan pursuant to the Final Order.

SECTION 2.6 Loan Proceeds Escrow Account.

(a) On the Closing Date, the Administrative Agent, at the Borrower's express request and instruction (which request and instruction are evidenced by this Agreement) shall apply the

proceeds of the Closing Date Term Loans to the Loan Proceeds Escrow Account. On the Final Order Date, the Administrative Agent, at the Borrower's express request and instruction (which request and instruction are evidenced by this Agreement) shall apply the proceeds of the Final Order Term Loans to the Loan Proceeds Escrow Account.

(b) The proceeds in the Loan Proceeds Escrow Account shall be released and applied in accordance with Section 6.19 as specified by Borrower in writing from time to time pursuant to the Loan Proceeds Escrow Agreement.

(c) If the Stated Maturity Date occurs prior to the Final Order Date, all proceeds in the Loan Proceeds Escrow Account on the Stated Maturity Date shall be used to repay the Loans (other than the Roll-Up Loans) and, to the extent any amounts remain after application to the Loans, then to the Roll-Up Loans.

ARTICLE III
REPAYMENTS, PREPAYMENTS, INTEREST AND FEES

SECTION 3.1 Repayments and Prepayments; Application. The Borrower agrees that the Loans shall be repaid and prepaid pursuant to the following terms.

SECTION 3.1.1 Repayments and Prepayments. The Borrower shall repay in full the unpaid principal amount of each Loan upon the Stated Maturity Date therefor. Prior thereto, payments and prepayments of the Loans shall or may be made as set forth below.

(a) From time to time on any Business Day, the Borrower may make a voluntary prepayment, in whole or in part, of the outstanding principal amount of any Loans, which shall be applied to the Loans (other than the Roll-Up Loans) and, to the extent the Loans (other than the Roll-Up Loans) have been paid in full, the Roll-Up Loans; provided that (A) any such prepayment shall be made pro rata among Loans of the same type and, if applicable, having the same Interest Period of all Lenders that have made such Loans and; (B) all such partial prepayments shall be, in the case of LIBO Rate Loans, in an aggregate minimum amount of $500,000 and an integral multiple of $100,000 and, in the case of Base Rate Loans, in an aggregate minimum amount of $100,000 and an integral multiple of $100,000; and (C) all such prepayments shall require delivery of a Prepayment Notice to the Administrative Agent on or before 12:00 noon New York City time, with respect to Base Rate Loans, one Business Day prior to such prepayment, and, with respect to LIBO Rate Loans, three Business Days prior to such prepayment.

(b) Promptly following the receipt by the Borrower or any of its Subsidiaries of any Net Debt Proceeds, the Borrower shall apply 100% of such Net Debt Proceeds as set forth in Section 3.1.2 below.

(c) Promptly following the receipt by the Borrower or any of its Subsidiaries of any Extraordinary Receipts, the Borrower shall apply 100% of such proceeds as set forth in Section 3.1.2 below.

(d) Promptly following the receipt by the Borrower or any of its Subsidiaries of any Net Disposition Proceeds and Net Casualty Proceeds (other than proceeds of 1110 Collateral),

the Borrower shall apply 100% of such Net Disposition Proceeds and Net Casualty Proceeds as set forth in Section 3.1.2(c) below.

(e) Immediately upon any acceleration of the Stated Maturity Date of any Loans pursuant to Section 8.2, the Borrower shall repay all the Loans, unless, pursuant to Section 8.2, only a portion of all the Loans is so accelerated (in which case the portion so accelerated shall be so repaid).

Each prepayment of any Loans made pursuant to this Section shall be without premium or penalty, except as may be required by Section 4.4.

SECTION 3.1.2 Application. Amounts prepaid pursuant to Section 3.1.1 shall be applied as set forth in this Section.

(a) Each prepayment or repayment of the principal of the Loans pursuant to clause (a) of Section 3.1.1 shall be applied, to the extent of such prepayment or repayment, first, to the principal amount thereof being maintained as Base Rate Loans, and second, subject to the terms of Section 4.4, to the principal amount thereof being maintained as LIBO Rate Loans.

(b) All proceeds received pursuant to clauses (b) through (c) of Section 3.1.1 shall be deposited into the Loan Proceeds Escrow Account. Such proceeds shall be released to the Borrower from the Loan Proceeds Escrow Account at the request of the Borrower in accordance with the Loan Proceeds Escrow Agreement, subject to the consent of the Required Lenders, in their sole discretion;

(c) All proceeds received pursuant to clause (d) of Section 3.1.1 shall be deposited into the Asset Sale/Insurance Escrow Account. Such proceeds shall be released to the Borrower from the Asset Sale/Insurance Escrow Account at the request of the Borrower in accordance with the Asset Sale/Insurance Escrow Agreement, subject to the consent of the Required Lenders (which shall include at least three Lenders), in their sole discretion. If the Stated Maturity Date occurs prior to the Final Order Date, all proceeds in the Asset Sale/Insurance Escrow Account on the Stated Maturity Date shall be used to repay the Loans (other than the Roll-Up Loans) and the Secured OHAA Payment Obligations on a pro rata basis to the extent any amounts remain after such application, then to the Roll-Up Loans.

SECTION 3.2 Interest Provisions. Interest on the outstanding principal amount of the Loans shall accrue and be payable in accordance with the terms set forth below.

SECTION 3.2.1 Rates. Subject to Section 2.2, pursuant to an appropriately delivered Borrowing Request or Continuation/Conversion Notice, the Borrower may elect that the Loans comprising a Borrowing accrue interest at a rate per annum:

(a) on that portion maintained from time to time as a Base Rate Loan, equal to the sum of (i) the Alternate Base Rate from time to time in effect plus (ii) the Applicable Margin; and

(b) on that portion maintained as a LIBO Rate Loan, during each Interest Period applicable thereto, equal to the sum of (i) the LIBO Rate (Reserve Adjusted) for such Interest Period plus (ii) the Applicable Margin.

All LIBO Rate Loans shall bear interest from and including the first day of the applicable Interest Period to (but not including) the last day of such Interest Period at the interest rate determined as applicable to such LIBO Rate Loan. Notwithstanding the foregoing, on any day that Base Rate Loans are outstanding, in no event shall the rate applicable to such Base Rate Loans be less than the rate applicable to LIBO Rate Loans borrowed on such day.

Unless expressly provided for herein, all payments required to be made under this Agreement shall be payable in cash.

SECTION 3.2.2 Default Rates. Upon the occurrence and during the continuation of any Event of Default, the Borrower shall pay, but only to the extent permitted by law, interest (after as well as before judgment) on all monetary Obligations owed to Lenders then outstanding at a rate per annum equal to the rate of interest that otherwise would be applicable to such Obligations plus 2% per annum or, if there is no applicable interest rate, with respect to Obligations owed to Lenders, the Alternate Base Rate from time to time in effect, plus the Applicable Margin accruing interest at the Base Rate, plus a margin of 2% per annum.

SECTION 3.2.3 Payment Dates. Interest accrued on each Loan shall be payable, without duplication, (a) on each Interest Payment Date, in arrears; and (b) on that portion of any Loans the Stated Maturity Date of which is accelerated pursuant to Section 8.2, immediately upon such acceleration. Interest accrued on Loans or other monetary Obligations owed to Lenders after the date such amount is due and payable (whether on the Stated Maturity Date, upon acceleration or otherwise) shall be payable upon demand.

SECTION 3.3 Other Payments.

SECTION 3.3.1 The Borrower agrees to pay the fees in the amounts and on the dates set forth in the Fee Letter.

SECTION 3.3.2 As consideration for the Lenders providing their Loans and Commitments hereunder, the Borrower agrees to pay to the Administrative Agent, for the account of each of the Lenders on a pro rata basis in accordance with their Total Exposure Amount, a payment as compensation for the funding of such Lender's Closing Date Term Loans and Final Order Term Loan Commitments in an amount equal to 1.5% of the stated principal amount of such Lender's Closing Date Term Loans and Final Order Term Loan Commitments, payable to such Lender out of the proceeds of its Closing Date Term Loans as and when funded on the Closing Date.

SECTION 3.3.3 A cash payment equal to five percent (5%) of the total equity value of the reorganized Debtors shall be payable pursuant to the Plan (the "Equity Payment"), which shall be earned upon entry of the Interim Order approving the DIP Facility (the "Interim Order") and payable to each initial DIP Lender pro rata based on the amount of such DIP Lenders' Lender's Closing Date Term Loans and Final Order Term Loan Commitments as a super-priority administrative expense claim at the earliest of (i) confirmation of any plan of reorganization, in

which case, the Equity Payment shall be deemed to be in an amount equal to the greater of (x) five percent (5%) of the total equity value of any confirmed Chapter 11 plan and (y) five percent (5%) of what the total equity value of the reorganized Debtors would have been under the Plan; (ii) sale of all or substantially all of the Debtors' assets, in which case, the Equity Payment shall be deemed to be equal to the greater of (x) five percent (5%) of the Loans (other than the Roll-Up Loans) and (y) five percent (5%) of the sale proceeds, and shall in each case be payable only from sale proceeds and senior to all other Obligations; and (iii) conversion of the Chapter 11 Case of Southern Air to a case under Chapter 7 of the Bankruptcy Code, in which case, the Equity Payment shall be deemed to be equal to 5% of the Loans (other than the Roll-Up Loans) and shall be senior to the Obligations; provided, however, that, notwithstanding the foregoing, in the case of confirmation of any plan of reorganization of the Debtors, at the election of the Debtors, and in their sole and absolute discretion, which election shall be announced prior to the commencement of the hearing to consider confirmation of such plan, such payment may be made in the form of reorganized common stock of Holdings equal to the Equity Payment.

ARTICLE IV
CERTAIN LIBO RATE AND OTHER PROVISIONS

SECTION 4.1 LIBO Rate Lending Unlawful. If any Lender shall determine (which determination shall, upon notice thereof to the Borrower and the Administrative Agent, be conclusive and binding on the Borrower) that the introduction of or any change in or in the interpretation of any law makes it unlawful, or any Governmental Authority asserts that it is unlawful, for such Lender to make or continue any Loan as, or to convert any Loan into, a LIBO Rate Loan, the obligations of such Lender to make, continue or convert any such LIBO Rate Loan shall, upon such determination, forthwith be suspended until such Lender shall notify the Administrative Agent that the circumstances causing such suspension no longer exist, and all outstanding LIBO Rate Loans payable to such Lender shall automatically convert into Base Rate Loans at the end of the then current Interest Periods with respect thereto or sooner, if required by such law or assertion.

SECTION 4.2 Deposits Unavailable. If the Administrative Agent shall have determined that (a) Dollar deposits in the relevant amount and for the relevant Interest Period are not available to it in its relevant market; or (b) by reason of circumstances affecting its relevant market, adequate means do not exist for ascertaining the interest rate applicable hereunder to LIBO Rate Loans; then, upon notice from the Administrative Agent to the Borrower and the Lenders, the obligations of all Lenders under Section 2.2 and Section 2.3 to make or continue any Loans as, or to convert any Loans into, LIBO Rate Loans shall forthwith be suspended until the Administrative Agent shall notify the Borrower and the Lenders that the circumstances causing such suspension no longer exist.

SECTION 4.3 Increased LIBO Rate Loan Costs, etc. The Borrower agrees to reimburse each Secured Party for any increase in the cost to such Secured Party of, or any reduction in the amount of any sum receivable by such Secured Party in respect of, such Secured Party's Commitments and the making of Credit Extensions hereunder (including the making, continuing or maintaining (or of its obligation to make or continue) any Loans as, or of converting (or of its obligation to convert) any Loans into, LIBO Rate Loans) that arise in connection with any Change in Law (other than with respect to increased capital costs and Taxes

which are governed by Sections 4.5 and 4.6, respectively). Each affected Secured Party shall promptly notify the Administrative Agent and the Borrower in writing of the occurrence of any such event, stating the reasons therefor and the additional amount required fully to compensate such Secured Party for such increased cost or reduced amount. Such additional amounts shall be payable by the Borrower directly to such Secured Party within five days of its receipt of such notice, and such notice shall, in the absence of manifest error, be conclusive and binding on the Borrower; provided that the Borrower shall not be responsible for costs under this Section 4.3 arising more than 180 days prior to receipt by the Borrower of the demand from the affected Secured Party pursuant to this Section 4.3; provided further that if such change in or in the interpretation of any law or regulation giving rise to such increased cost is retroactive, then the 180-day period referred to in the previous proviso shall be extended to include the period of retroactive effect thereof.

SECTION 4.4 Funding Losses. In the event any Lender shall incur any loss or expense (including any loss or expense incurred by reason of the liquidation or reemployment of deposits or other funds acquired by such Lender to make or continue any portion of the principal amount of any Loan as, or to convert any portion of the principal amount of any Loan into, a LIBO Rate Loan) as a result of

(a) any conversion or repayment or prepayment of the principal amount of any LIBO Rate Loan on a date other than the scheduled last day of the Interest Period applicable thereto, whether pursuant to Article III or otherwise;

(b) any Loans not being made as LIBO Rate Loans in accordance with the Borrowing Request therefor; or

(c) any Loans not being continued as, or converted into, LIBO Rate Loans in accordance with the Continuation/Conversion Notice therefor;

then, upon the written notice of such Lender to the Borrower (with a copy to the Administrative Agent), the Borrower shall, within five days of its receipt thereof, pay directly to such Lender such amount as will (in the reasonable determination of such Lender) reimburse such Lender for such loss or expense (but excluding any lost profit or margin). Such written notice shall, in the absence of manifest error, be conclusive and binding on the Borrower.

SECTION 4.5 Increased Capital Costs. If any Change in Law (other than with respect to Taxes which shall be governed solely by Section 4.6) affects or would affect the amount of capital required or expected to be maintained by any Secured Party or any Person controlling such Secured Party, and such Secured Party determines (in good faith but in its sole and absolute discretion) that the rate of return on its or such controlling Person's capital as a consequence of the Commitments or the Credit Extensions made, by such Secured Party is reduced to a level below that which such Secured Party or such controlling Person could have achieved but for the occurrence of any such circumstance, then upon notice from time to time by such Secured Party to the Borrower, the Borrower shall within five days following receipt of such notice pay directly to such Secured Party additional amounts sufficient to compensate such Secured Party or such controlling Person for such reduction in rate of return. A statement of such Secured Party as to any such additional amount or amounts shall, in the absence of manifest

error, be conclusive and binding on the Borrower. In determining such amount, such Secured Party may use any method of averaging and attribution that it (in its sole and absolute discretion) shall deem applicable; provided that the Borrower shall not be responsible for costs under this Section 4.5 arising more than 180 days prior to receipt by the Borrower of the demand from the affected Lender pursuant to this Section 4.5; provided further that if such change in or in the interpretation of any law or regulation giving rise to such increased cost is retroactive, then the 180-day period referred to in the previous proviso shall be extended to include the period of retroactive effect thereof.

SECTION 4.6 Taxes. The Borrower covenants and agrees as follows with respect to Taxes:

(a) Any and all payments by or on behalf of any Obligor under each Loan Document shall be made free and clear of, and without deduction or withholding for or on account of, any Non-Excluded Taxes. In the event that any Taxes are imposed and required to be deducted or withheld from any payment required to be made by or on behalf of any Obligor to or on behalf of any Secured Party under any Loan Document, then:

(i) subject to clause (f), if such Taxes are Non-Excluded Taxes, the amount of such payment shall be increased as may be necessary so that such payment is made, after withholding or deduction for or on account of such Non-Excluded Taxes, in an amount that is not less than the amount provided for in such Loan Document; and

(ii) the Borrower or applicable withholding agent shall withhold the full amount of such Taxes from such payment (as increased pursuant to clause (a)(i)) and shall pay such amount to the Governmental Authority imposing such Taxes in accordance with applicable law.

(b) In addition, the Borrower shall pay all Other Taxes imposed to the relevant Governmental Authority imposing such Other Taxes in accordance with applicable law.

(c) As promptly as practicable after the payment of any Taxes or Other Taxes, and in any event within 60 days of any such payment being due, the Borrower shall furnish to the Administrative Agent an official receipt (or a certified copy thereof or other evidence of such payment reasonably satisfactory to the Administrative Agent) evidencing the payment of such Taxes or Other Taxes. The Administrative Agent shall make copies thereof available to any Lender upon request therefor.

(d) Subject to clause (f), the Borrower shall indemnify each Secured Party for any Non-Excluded Taxes and Other Taxes levied, imposed or assessed on and paid by or with respect to such Secured Party on or with respect to any payment by the Borrower or any Guarantor under any Loan Document whether or not such Non-Excluded Taxes or Other Taxes are correctly or legally asserted by the relevant Governmental Authority. Promptly upon having received written notice, including a certificate as to the amount of the liability from any Secured Party that any such Non-Excluded Taxes or Other Taxes have been levied, imposed or assessed, the Borrower shall pay such Non-Excluded Taxes or Other Taxes directly to the relevant Governmental Authority. For the avoidance of doubt, the Borrower shall indemnify each Secured Party for any

incremental Taxes that may become payable by such Secured Party to the extent resulting from any failure of the Borrower to deliver to the Administrative Agent, pursuant to clause (c), documentation evidencing the payment of Non-Excluded Taxes or Other Taxes. With respect to indemnification for Non-Excluded Taxes and Other Taxes actually paid by any Secured Party or the indemnification provided in the immediately preceding sentence, such indemnification shall be made within 30 days after the date such Secured Party makes written demand therefor which demand shall include a certificate as to the amount of such payment or liability. The Borrower acknowledges that any payment made to any Secured Party or to any Governmental Authority in respect of the indemnification obligations of the Borrower provided in this clause shall constitute a payment in respect of which the provisions of clause (a) and this clause shall apply. The indemnity provided for herein and all of the obligations of the Secured Parties set forth in this Section 4.6 shall survive the payment of the Obligations and termination of this Agreement.

(e) (A) Each Non-U.S. Lender, on or prior to the date on which such Non-U.S. Lender becomes a Lender hereunder (and from time to time thereafter as is prescribed by applicable law or upon the request of the Borrower or the Administrative Agent, but only for so long as such Non-U.S. Lender is legally entitled to do so), shall deliver to the Borrower and the Administrative Agent either (i) two original duly completed copies of either (x) Internal Revenue Service Form W-8BEN claiming eligibility of the Non-U.S. Lender for benefits of an income tax treaty to which the United States is a party, (y) Internal Revenue Service Form W-8ECI claiming that the payments are effectively connected with the conduct of its U.S. trade or business, or (z) Internal Revenue Service Form W-8IMY of the Lender, accompanied by a Form W-8ECI, W-8BEN, Exemption Certificate, Form W-9 (or other successor forms) or any other required information from each beneficial owner, as applicable, in each case an applicable successor form; or (ii) in the case of a Non-U.S. Lender that is not legally entitled to deliver either form listed in clause (e)(i), (x) a certificate to the effect that such Non-U.S. Lender is not (I) a "bank" within the meaning of Section 881(c)(3)(A) of the Code, (II) a "10 percent shareholder" of the Borrower within the meaning of Section 881(c)(3)(B) of the Code, or (III) a controlled foreign corporation receiving interest from a related person within the meaning of Section 881(c)(3)(C) of the Code (referred to as an "Exemption Certificate") and (y) two original duly completed copies of Internal Revenue Service Form W-8BEN or applicable successor form, and (iii) any other form prescribed by applicable law as a basis for claiming exemption from or a reduction in U.S. withholding tax duly completed together with such supplementary documentation as may be prescribed by applicable law to permit the Borrower to determine the withholding or deduction required to be made. Each Non-U.S. Lender shall promptly notify the Borrower at any time it determines that it is no longer in a position to provide any previously delivered form or forms and/or Exemption Certificate to the Borrower (or an applicable successor form).

(B) Any Lender that is a "United States person," as defined in Section 7701(a)(30) of the Code shall deliver to the Borrower and the Administrative Agent on or prior to the date on which such Lender becomes a Lender under this Agreement (and from time to time thereafter upon the request of the Borrower or the Administrative Agent, but only if such Lender is legally entitled to do so) two duly completed original signed copies of Internal Revenue Service Form W-9, or any successor form that such

Lender is entitled to provide at such time in order to comply with United States backup withholding requirements.

(C) If a payment made to a Lender under any Loan Document would be subject to U.S. federal withholding Tax imposed by FATCA if such Lender were to fail to comply with the applicable reporting requirements of FATCA (including those contained in Section 1471(b) or 1472(b) of the Code, as applicable), such Lender shall deliver to the Borrower and the Administrative Agent at the time or times prescribed by law and at such time or times reasonably requested by the Borrower or the Administrative Agent such documentation prescribed by applicable law (including as prescribed by Section 1471(b)(3)(C)(i) of the Code) and such additional documentation reasonably requested by the Borrower or the Administrative Agent as may be necessary for the Borrower and the Administrative Agent to comply with their obligations under FATCA and to determine that such Lender has complied with such Lender's obligations under FATCA or to determine the amount to deduct and withhold from such payment. Solely for purposes of this clause (C), "FATCA" shall include any amendments made to FATCA after the date of this Agreement.

(f) The Borrower shall not be obligated to pay any additional amounts to any Lender pursuant to clause (a)(i), or to indemnify any Lender pursuant to clause (d), in respect of any U.S. federal withholding taxes or U.S. federal backup withholding taxes imposed as a result of (i) the failure of such Lender to deliver to the Borrower the form or forms and/or an Exemption Certificate, as applicable to such Lender, pursuant to clause (e), (ii) such form or forms and/or Exemption Certificate not establishing a complete exemption from U.S. federal withholding tax or U.S. federal backup withholding taxes or the information or certifications made therein by the Lender being untrue or inaccurate on the date delivered in any material respect, or (iii) the Lender designating a successor lending office at which it maintains its Loans which has the effect of causing such Lender to become obligated for Tax payments in excess of those in effect immediately prior to such designation; provided that the Borrower shall be obligated to pay additional amounts to any such Lender pursuant to clause (a)(i), and to indemnify any such Lender pursuant to clause (d), in respect of United States federal withholding taxes and U.S. federal backup withholding taxes if (A) any such failure to deliver a form or forms or an Exemption Certificate or the failure of such form or forms or Exemption Certificate to establish a complete exemption from U.S. federal withholding tax or U.S. federal backup withholding taxes or inaccuracy or untruth contained therein resulted from a change in any applicable statute, treaty, regulation or other applicable law or any interpretation of any of the foregoing occurring after the Closing Date (or, in the case of an assignment, after the date of the assignment), which change rendered such Lender (I) no longer legally entitled to deliver such form or forms or Exemption Certificate or (II) otherwise ineligible for a complete exemption from U.S. federal withholding tax U.S. federal backup withholding taxes, (B) the redesignation of the Lender's lending office was made at the request of the Borrower or (C) the obligation to pay any additional amounts to any such Lender pursuant to clause (a)(i) or to indemnify any such Lender pursuant to clause (d) is with respect to a Person that becomes a Lender as a result of an assignment made at the request of the Borrower.

(g) If a Secured Party shall become aware that it is entitled to claim a refund from a Governmental Authority in respect of Non-Excluded Taxes or Other Taxes as to which it has

been indemnified by the Borrower or with respect to which the Borrower has paid additional amounts pursuant to this Section 4.6, it promptly shall notify the Borrower of the availability of such refund claim and shall use reasonable efforts to make a timely claim to such Governmental Authority for such refund at the Borrower's expense; provided that such Secured Party shall have no obligation to use such reasonable efforts if either (i) it is in an excess foreign tax credit position or (ii) it believes in good faith, in its sole discretion, that claiming a refund would cause material adverse tax consequences to it. If a Secured Party receives a refund (including pursuant to a claim) of any Non-Excluded Taxes or Other Taxes as to which it has been indemnified by the Borrower or with respect to which the Borrower has paid additional amounts pursuant to this Section 4.6, it shall within 30 days from the date of such receipt pay over the amount of such refund to the Borrower, net of all reasonable out-of-pocket expenses of such Secured Party (including any Taxes imposed on such refund) and without interest (other than interest paid by the relevant Governmental Authority with respect to such refund); provided that the Borrower, upon the request of such Secured Party, agrees to repay the amount paid over to the Borrower (plus penalties, interest or other reasonable charges) to such Secured Party in the event such Secured Party is required to repay such refund to such Governmental Authority. Nothing contained in this clause (g) shall require a Secured Party to disclose or detail the basis of its calculation of the amount of any tax benefit or any other amount or the basis of its determination referred to in the proviso to the first sentence of this clause (g) or otherwise make its tax returns or other information it deems confidential available to the Borrower or any other party.

SECTION 4.7 Payments, Computations; Proceeds of Collateral, etc. (a)Unless otherwise expressly provided in a Loan Document, all payments by the Borrower pursuant to each Loan Document shall be made by the Borrower to the Administrative Agent for the pro rata account of the Secured Parties entitled to receive such payment. All payments shall be made without setoff, deduction or counterclaim not later than 12:00 noon New York City time on the date due in same day or immediately available funds to such account as the Administrative Agent shall specify from time to time by notice to the Borrower. Funds received after that time shall be deemed to have been received by the Administrative Agent on the next succeeding Business Day. The Administrative Agent shall promptly remit in same day funds to each Secured Party its share, if any, of such payments received by the Administrative Agent for the account of such Secured Party. All interest (including interest on LIBO Rate Loans) and fees shall be computed on the basis of the actual number of days (including the first day but excluding the last day) occurring during the period for which such interest or fee is payable over a year comprised of 360 days (except in the case of interest on a Base Rate Loan calculated at the Base Rate, which shall be payable over a year comprised of 365 days or, if appropriate, 366 days). Payments due on a day other than a Business Day shall (except as otherwise required by clause (c) of the definition of "Interest Period") be made on the next succeeding Business Day and such extension of time shall be included in computing interest and fees in connection with that payment.

(b) All amounts received as a result of the exercise of remedies under the Loan Documents (including from the proceeds of collateral securing the Obligations) or under applicable law, or any other realization of Collateral following the occurrence of any Event of Default, shall be applied upon receipt to the Obligations as follows: (i) first, to the payment of all Obligations owing to the Administrative Agent, in its capacity as the Administrative Agent (including the reasonable and documented fees and out-of-pocket expenses of counsel to the

Administrative Agent), (ii) second, after payment in full in cash of the amounts specified in clause (b)(i), to the ratable payment of all interest (including interest accruing after the commencement of a proceeding in bankruptcy, insolvency or similar law, whether or not permitted as a claim under such law) and fees owing under the Loan Documents, and all costs and expenses owing to the Secured Parties pursuant to the terms of the Loan Documents, until paid in full in cash, (iii) third, after payment in full in cash of the amounts specified in clauses (b)(i) and (b)(ii), to the ratable payment of the principal amount of the Loans then outstanding and amounts owing to Secured Parties under the Secured OHAA Payment Obligations, (iv) fourth, after payment in full in cash of the amounts specified in clauses (b)(i) through (b)(iii), to the ratable payment of all other Obligations, other than the Roll-Up Loans, owing to the Secured Parties, (v) fifth, after payment in full in cash of the amounts specified in clauses (b)(i) through (b)(iv), subject to the Final Order, to interest then due and payable on the Roll-Up Loans, (vi) sixth, after payment in full in cash of the amounts specified in clauses (b)(i) through (b)(v), subject to the Final Order, to repay the Roll-Up Loans until paid in full, and (vii) seventh, after payment in full in cash of the amounts specified in clauses (b)(i) through (b)(vi), to each applicable Obligor or any other Person lawfully entitled to receive such surplus; provided that notwithstanding the foregoing, any proceeds in the Loan Proceeds Escrow Account shall be applied solely to the payment of the Obligations (other than the Secured OHAA Payment Obligations).

SECTION 4.8 Sharing of Payments. If any Secured Party shall obtain any payment or other recovery (whether voluntary, involuntary, by application of setoff or otherwise) on account of any Credit Extension (other than pursuant to the terms of Section 4.3, 4.4, 4.5 or 4.6) in excess of its pro rata share of payments obtained by all Secured Parties, such Secured Party shall purchase from the other Secured Parties such participations in Credit Extensions made by them as shall be necessary to cause such purchasing Secured Party to share the excess payment or other recovery ratably (to the extent such other Secured Parties were entitled to receive a portion of such payment or recovery) with each of them; provided that if all or any portion of the excess payment or other recovery is thereafter recovered from such purchasing Secured Party, the purchase shall be rescinded and each Secured Party which has sold a participation to the purchasing Secured Party shall repay to the purchasing Secured Party the purchase price to the ratable extent of such recovery together with an amount equal to such selling Secured Party's ratable share (according to the proportion of (a) the amount of such selling Secured Party's required repayment to the purchasing Secured Party to (b) total amount so recovered from the purchasing Secured Party) of any interest or other amount paid or payable by the purchasing Secured Party in respect of the total amount so recovered. The Borrower agrees that any Secured Party purchasing a participation from another Secured Party pursuant to this Section may, to the fullest extent permitted by law, exercise all its rights of payment (including pursuant to Section 4.9) with respect to such participation as fully as if such Secured Party were the direct creditor of the Borrower in the amount of such participation. If under any applicable bankruptcy, insolvency or other similar law any Secured Party receives a secured claim in lieu of a setoff to which this Section applies, such Secured Party shall, to the extent practicable, exercise its rights in respect of such secured claim in a manner consistent with the rights of the Secured Parties entitled under this Section to share in the benefits of any recovery on such secured claim.

SECTION 4.9 Setoff. Each Secured Party shall, upon the occurrence and during the continuance of any Event of Default, have the right to appropriate and apply to the payment of

the Obligations owing to it (whether or not then due), and (as security for such Obligations) the Borrower hereby grants to each Secured Party a continuing security interest in, any and all balances, credits, deposits, accounts or moneys of the Borrower then or thereafter maintained with such Secured Party; provided that any such appropriation and application shall be subject to the provisions of Section 4.8. Each Secured Party agrees promptly to notify the Borrower and the Administrative Agent after any such appropriation and application made by such Secured Party; provided that the failure to give such notice shall not affect the validity of such setoff and application. In the event that any Defaulting Lender shall exercise any such right of setoff, (x) all amounts so set off shall be paid over immediately to the Administrative Agent for further application in accordance with the provisions of Section 4.12.2 and, pending such payment, shall be segregated by such Defaulting Lender from its other funds and deemed held in trust for the benefit of the Administrative Agent and the Lenders, and (y) the Defaulting Lender shall provide promptly to the Administrative Agent a statement describing in reasonable detail the Obligations owing to such Defaulting Lender as to which it exercised such right of setoff. The rights of each Secured Party under this Section are in addition to other rights and remedies (including other rights of setoff under applicable law or otherwise) which such Secured Party may have.

SECTION 4.10 Mitigation of Claims. Each Secured Party agrees that if it makes any demand for payment under Section 4.3, 4.5 or 4.6, or if any adoption or change of the type described in Section 4.1 shall occur with respect to it, such Secured Party will use reasonable efforts (consistent with its internal policy and legal and regulatory restrictions and so long as such efforts would not be disadvantageous to it, as determined in its sole discretion) to designate a different lending office if the making of such a designation would reduce or obviate the need for the Borrower to make payments under Section 4.3, 4.5, or 4.6, or would eliminate or reduce the effect of any adoption or change described in Section 4.1.

SECTION 4.11 **[**Reserved**]**.

SECTION 4.12 Defaulting Lenders.

SECTION 4.12.1 Defaulting Lender Adjustments. Notwithstanding anything to the contrary contained in this Agreement, if any Lender becomes a Defaulting Lender, then, until such time as such Lender is no longer a Defaulting Lender, to the extent permitted by applicable law:

(a) Such Defaulting Lender's right to approve or disapprove any amendment, waiver or consent with respect to this Agreement shall be restricted as set forth in the definition of Required Lenders.

(b) Any payment of principal, interest, fees or other amounts received by the Administrative Agent for the account of such Defaulting Lender (whether voluntary or mandatory, at maturity, pursuant to Article VII or otherwise) or received by the Administrative Agent from a Defaulting Lender pursuant to Section 4.9 shall be applied at such time or times as may be determined by the Administrative Agent as follows: *first*, to the payment of any amounts owing by such Defaulting Lender to the Administrative Agent hereunder; *second*, as the Borrower may request (so long as no Default or Event of Default exists), to the funding of any Loan in respect of which such

Defaulting Lender has failed to fund its portion thereof as required by this Agreement, as determined by the Administrative Agent; *third*, if so determined by the Administrative Agent and the Borrower, to be held in a deposit account and released pro rata in order to satisfy such Defaulting Lender's potential future funding obligations with respect to Loans under this Agreement; *fourth*, to the payment of any amounts owing to the Lenders as a result of any judgment of a court of competent jurisdiction obtained by any Lender against such Defaulting Lender as a result of such Defaulting Lender's breach of its obligations under this Agreement; *fifth*, so long as no Default or Event of Default exists, to the payment of any amounts owing to the Borrower as a result of any judgment of a court of competent jurisdiction obtained by the Borrower against such Defaulting Lender as a result of such Defaulting Lender's breach of its obligations under this Agreement; and *sixth*, to such Defaulting Lender or as otherwise directed by a court of competent jurisdiction; provided that if (x) such payment is a payment of the principal amount of any Loans in respect of which such Defaulting Lender has not fully funded its appropriate share, and (y) such Loans were made at a time when the conditions set forth in Section 5.2 were satisfied or waived, such payment shall be applied solely to pay the Loans of all Non-Defaulting Lenders on a pro rata basis prior to being applied to the payment of any Loans of such Defaulting Lender until such time as all Loans are held by the Lenders pro rata in accordance with the Commitments. Any payments, prepayments or other amounts paid or payable to a Defaulting Lender that are applied (or held) to pay amounts owed by a Defaulting Lender pursuant to this Section 4.12.1(b) shall be deemed paid to and redirected by such Defaulting Lender, and each Lender irrevocably consents hereto.

SECTION 4.12.2 Defaulting Lender Cure. If the Borrower and the Administrative Agent agree in writing that a Lender is no longer a Defaulting Lender, the Administrative Agent will so notify the parties hereto, whereupon as of the effective date specified in such notice and subject to any conditions set forth therein, that Lender will, to the extent applicable, purchase at par that portion of outstanding Loans of the other Lenders or take such other actions as the Administrative Agent may determine to be necessary to cause the Loans to be held pro rata by the Lenders in accordance with the Commitments, whereupon such Lender will cease to be a Defaulting Lender; provided that no adjustments will be made retroactively with respect to fees accrued or payments made by or on behalf of the Borrower while that Lender was a Defaulting Lender; and provided, further, that except to the extent otherwise expressly agreed by the affected parties, no change hereunder from Defaulting Lender to Lender will constitute a waiver or release of any claim of any party hereunder arising from that Lender's having been a Defaulting Lender.

ARTICLE V
CONDITIONS TO CREDIT EXTENSIONS

SECTION 5.1 Initial Credit Extension. The obligations of the Lenders to make the initial Credit Extension shall be subject to the prior or concurrent satisfaction of each of the conditions precedent set forth in this Article.

SECTION 5.1.1 Resolutions, etc. The Administrative Agent shall have received from each Obligor, as applicable, (i) a copy of a good standing certificate, dated a date reasonably

close to the Closing Date, for each such Person and (ii) a certificate, dated as of the Closing Date, duly executed and delivered by such Person's Secretary or Assistant Secretary, managing member or general partner, as applicable, as to

(a) resolutions of each such Person's Board of Directors (or other managing body, in the case of other than a corporation) then in full force and effect authorizing, to the extent relevant, the execution, delivery and performance of each Loan Document to be executed by such Person and the transactions contemplated hereby and thereby;

(b) the incumbency and signatures of those of its officers, managing member or general partner, as applicable, authorized to act with respect to each Loan Document to be executed by such Person; and

(c) the full force and validity of each Organic Document of such Person and certified copies thereof;

upon which certificates each Secured Party may conclusively rely until it shall have received a further certificate of the Secretary, Assistant Secretary, managing member or general partner, as applicable, of any such Person canceling or amending the prior certificate of such Person.

SECTION 5.1.2 Closing Date Certificate. The Administrative Agent shall have received the Closing Date Certificate, dated as of the Closing Date and duly executed and delivered by an Authorized Officer of the Borrower, in which certificate the Borrower shall agree and acknowledge that the statements made therein shall be deemed to be true and correct, in all material respects, representations and warranties of the Borrower as of such date, and, at the time such certificate is delivered, such statements shall in fact be true and correct in all material respects. All documents and agreements required to be appended to the Closing Date Certificate shall be in form and substance reasonably satisfactory to the Administrative Agent, shall have been executed and delivered by the requisite parties, and shall be in full force and effect.

SECTION 5.1.3 Delivery of Notes. The Administrative Agent shall have received, for the account of each Lender that has requested a Note, such Lender's Notes duly executed and delivered by an Authorized Officer of the Borrower.

SECTION 5.1.4 Guarantees and Security Agreement. The Administrative Agent shall have received executed counterparts of the Holdings Guaranty and Pledge Agreement, the Subsidiary Guaranty and the Security Agreement, each dated as of the date hereof, duly executed and delivered by an Authorized Officer of each Obligor party thereto, together with:

(a) in the case of Capital Securities that are securities (as defined in the UCC), certificates (to the extent such securities are certificated) evidencing all of the issued and outstanding Capital Securities owned by each Obligor in its Subsidiaries (subject to the limitations, if any, of the Voting Securities provided for in Section 7.1.9), which certificates shall be accompanied by undated instruments of transfer duly executed in blank;

(b) Filing Statements naming Holdings, the Borrower and each Subsidiary Guarantor as a debtor and the Administrative Agent as the secured party;

(c) copies of UCC searches, dated a date reasonably near to the Closing Date, listing all effective financing statements which name any Obligor (under its present name and any previous names during the last five years) as the debtor, together with copies of such financing statements (none of which shall, except with respect to Liens permitted by Section 7.2.3, evidence a Lien on any collateral described in any Loan Document).

SECTION 5.1.5 Insurance. The Administrative Agent shall have received certificates from one or more insurance companies reasonably satisfactory to the Administrative Agent, evidencing coverage required to be maintained pursuant to each Loan Document.

SECTION 5.1.6 Opinions of Counsel. The Administrative Agent shall have received opinions, each dated the Closing Date and addressed to the Administrative Agent and all Lenders, from Weil, Gotshal & Manges LLP, counsel to the Obligors, in form and substance reasonably satisfactory to the Administrative Agent.

SECTION 5.1.7 Funding Fees, Expenses, etc. The Administrative Agent shall have received, simultaneously with the initial funding of the Loans on the Closing Date, for its own account, or for the account of each Lender, as the case may be, all fees, costs and expenses due and payable pursuant to Section 3.3 and, if then invoiced, Section 10.3. All fees and expenses due and payable under the Fee Letter shall be paid to each Person due such fees and expenses thereunder in accordance with the terms thereof.

SECTION 5.1.8 Anti-Terrorism Laws. The Administrative Agent shall have received all documentation and other information required by bank regulatory authorities under applicable "know your customer" and anti-money laundering rules and regulations, including the Patriot Act, and requested from the Borrower prior to entry of the Interim Order.

SECTION 5.1.9 Governmental Approvals. Other than the Orders, there shall be no governmental or third party approvals necessary for the consummation of the facilities contemplated by this Agreement, the incurrence of debt and the granting of security interests contemplated thereby.

SECTION 5.1.10 Approved Budget. The Administrative Agent shall have received the Approved Budget.

SECTION 5.1.11 Chapter 11 Case Administration. (a) The Administrative Agent and Required Lenders shall have approved a motion in form and substance satisfactory to the Administrative Agent and the Required Lenders seeking approval of the Commitments and Loans made hereunder;

(b) The Interim Order shall have been previously reviewed by the Required Lenders and shall be in form and substance satisfactory to the Required Lenders and shall not (in whole or in part) have been reversed, modified, amended, stayed, vacated, appealed or subject to a stay pending appeal;

(c) The Interim Order shall have been entered by the Bankruptcy Court no later than October 1, 2012;

(d) The Obligors shall be in compliance in all respects with the Interim Order;

(e) No trustee, examiner or receiver with expanded powers pursuant to Section 1104(c) of the Bankruptcy Code, shall have been appointed or designated with respect to Borrower or any Debtor or their respective business, properties or assets, and no motion shall be pending seeking similar relief or any other relief, which, if granted, would result in a person other than the Debtors exercising control over the Debtors' assets;

(f) All of the First Day Orders entered by the Bankruptcy Court and all related motions submitted to the Bankruptcy Court for approval (as applicable) at or about the time of the commencement of the Chapter 11 Cases shall be in form and substance satisfactory to the Required Lenders;

(g) All orders entered by the Bankruptcy Court pertaining to cash management and adequate protection shall, and all other motions and documents filed or to be filed with, and submitted to, the Bankruptcy Court in connection therewith shall be in form and substance satisfactory to the Administrative Agent and the Required Lenders in their sole discretion; and

(h) All of the Liens described in Section 11.1 shall have been created and perfected upon entry of the Interim Order.

SECTION 5.1.12 Closing Date. The Closing Date shall be no later than two Business Days after entry of the Interim Order.

SECTION 5.1.13 The Section 1110 Stipulation. The Administrative Agent, the Required Lenders, the Pre-Petition Agent, and the Required Lenders (as defined in the Pre-Petition Credit Agreement), shall have received and approved of the Section 1110 Stipulation.

SECTION 5.1.14 Escrow Account. The Borrower shall have established the Loan Proceeds Escrow Account and entered into the Loan Proceeds Escrow Agreement.

SECTION 5.2 All Credit Extensions. The obligation of each Lender to make any Credit Extension shall be subject to the satisfaction of each of the conditions precedent set forth below.

SECTION 5.2.1 Compliance with Warranties, No Default, etc. Both before and after giving effect to any Credit Extension (but, if any Default of the nature referred to in Section 8.1.5 shall have occurred with respect to any other Indebtedness, without giving effect to the application, directly or indirectly, of the proceeds thereof) the following statements shall be true and correct:

(a) the representations and warranties set forth in each Loan Document shall, in each case, be true and correct (i) in the case of representations and warranties not qualified by references to "materiality" or a Material Adverse Effect, in all material

respects and (ii) otherwise, in all respects, in each case with the same effect as if then made (unless stated to relate solely to an earlier date, in which case such representations and warranties shall be true and correct in all material respects as of such earlier date); and

(b) no Default shall have then occurred and be continuing.

SECTION 5.2.2 Credit Extension Request, etc. Subject to Section 2.2, the Administrative Agent shall have received a Borrowing Request. The delivery of a Borrowing Request and the acceptance by the Borrower of the proceeds of such Credit Extension shall constitute a representation and warranty by the Borrower that on the date of such Credit Extension (both immediately before and after giving effect to such Credit Extension and the application of the proceeds thereof) the statements made in Section 5.2.1 are true and correct (unless stated to relate solely to an earlier date, in which case such representations and warranties shall be true and correct of such earlier date).

SECTION 5.2.3 Bankruptcy Matters. At the time of the making of any Loan:

(a) (i) with respect to any Loan made prior to the entry and effectiveness of the Final Order, the Interim Order shall be effective, shall not have terminated or expired and shall not have been stayed, reversed, vacated, amended, supplemented or otherwise modified without the prior written consent of the Administrative Agent and (ii) with respect to any Loan made after entry and effectiveness of the Final Order, the Final Order shall be effective, shall not have terminated or expired and shall not have been stayed, reversed, vacated, amended, supplemented or otherwise modified without the prior written consent of the Administrative Agent;

(b) the Obligors shall be in compliance with the Orders in all material respects;

(c) all First Day Orders and any "second day" orders shall be in form and substance satisfactory to the Administrative Agent;

(d) the Administrative Agent and the Lenders shall have received when due (and after giving effect to any applicable grace periods) all periodic updates required with respect to the Approved Budget, including any Variance Reports; and

(e) the Obligors shall be in compliance with Section 7.1.15 (including after giving effect to the proposed Borrowing and the use of proceeds thereof).

SECTION 5.3 Conditions to Withdrawals from the Loan Proceeds Escrow Account. The Borrower shall have the right to make withdrawals from the Loan Proceeds Escrow Account (an "Account Withdrawal") for the purposes set out in Section 6.19 in the manner set forth in the Loan Proceeds Escrow Agreement (unless otherwise agreed to by Borrower and the Administrative Agent) and the Administrative Agent shall direct the Escrow Agent to make such Account Withdrawal, subject to the satisfaction of the following conditions precedent on or prior to the date of each such proposed withdrawal (such date, the "Requested Account Withdrawal Date"):

SECTION 5.3.1 Compliance with Warranties, No Default, etc. Both before and after giving effect to any Account Withdrawal (but, if any Default of the nature referred to in Section 8.1.5 shall have occurred with respect to any other Indebtedness, without giving effect to the application, directly or indirectly, of the proceeds thereof) the following statements shall be true and correct:

(a) the representations and warranties set forth in each Loan Document shall, in each case, be true and correct (i) in the case of representations and warranties not qualified by references to "materiality" or a Material Adverse Effect, in all material respects and (ii) otherwise, in all respects, in each case with the same effect as if then made (unless stated to relate solely to an earlier date, in which case such representations and warranties shall be true and correct in all material respects as of such earlier date);

(b) no Default shall have then occurred and be continuing;

(c) after giving effect to such Account Withdrawal and the use of proceeds thereof the aggregate cash and Cash Equivalent Investments of the Borrower and its Guarantor Subsidiaries will not exceed $5,000,000; and

(d) the Account Withdrawal shall be in accordance with the Approved Budget.

SECTION 5.3.2 Withdrawal Certificate. The Administrative Agent shall have received a fully executed Withdrawal Certificate signed by an Authorized Officer of Borrower in accordance with the Loan Proceeds Escrow Agreement and the Borrower shall use commercially reasonable efforts to promptly confirm by telephone the Administrative Agent's receipt of such Withdrawal Certificate. The delivery of a Withdrawal Certificate and the acceptance by the Borrower of the proceeds of such Account Withdrawal shall constitute a representation and warranty by the Borrower that on such account Withdrawal Date (both immediately before and after giving effect to such Account Withdrawal and the application of the proceeds thereof) the statement made in Section 5.3.1 are true and correct on such date (unless stated to relate solely to an earlier date, in which case such representations and warranties shall be true and correct of such earlier date).

ARTICLE VI
REPRESENTATIONS AND WARRANTIES

In order to induce the Lenders to enter into this Agreement and to make Credit Extensions hereunder, the Borrower represents and warrants to each Lender as set forth in this Article.

SECTION 6.1 Organization, etc. Subject to the entry of the Interim Order (or the Final Order, when applicable) by the Bankruptcy Court, each Obligor is validly organized and existing and in good standing under the laws of the state or jurisdiction of its incorporation or organization, is duly qualified to do business and is in good standing as a foreign entity in each jurisdiction where the nature of its business requires such qualification, except where the failure to be so qualified could not reasonably be expected to have a Material Adverse Effect, and has full power and authority and holds all requisite governmental licenses, permits and other

approvals to enter into and perform its Obligations under each Loan Document to which it is a party, to own and hold under lease its property and to conduct its business substantially as currently conducted by it, except where the failure to obtain such licenses, permits or approvals could not reasonably be expected to have a Material Adverse Effect.

SECTION 6.2 Due Authorization, Non-Contravention, etc. Subject to the entry of the Interim Order (or the Final Order, when applicable) by the Bankruptcy Court, the execution, delivery and performance by each Obligor of each Loan Document executed or to be executed by it and each Obligor's participation in the transactions contemplated hereby are within such Person's powers, have been duly authorized by all necessary action, and do not (a) contravene any (i) Obligor's Organic Documents, (ii) material court decree or order binding on or affecting any Obligor or (iii) material law or governmental regulation binding on or affecting any Obligor; or (b) result in (i) or require the creation or imposition of, any Lien on any Obligor's properties (except as permitted by this Agreement) or (ii) a default under any material contractual restriction binding on or affecting any Obligor, except to the extent enforcement of such contractual restriction is stayed by virtue of the Chapter 11 Cases.

SECTION 6.3 Government Approval, Regulation, Compliance with Law, etc. Except for the approval of the Bankruptcy Court, no material authorization or approval or other action by, and no notice to or filing with, any Governmental Authority or other Person (other than those that have been, or on the Closing Date will be, duly obtained or made and which are, or on the Closing Date will be, in full force and effect) is required for the due execution, delivery or performance by any Obligor of any Loan Document to which it is a party, in each case by the parties thereto. Neither the Borrower nor any of its Subsidiaries is an "investment company" within the meaning of the Investment Company Act of 1940, as amended. Subject to the entry of the Interim Order (or the Final Order, when applicable) by the Bankruptcy Court, each of Holdings, the Borrower and their respective Subsidiaries is in compliance, in all material respects, with all laws, rules, regulations and orders applicable to the conduct of its businesses or the ownership of its properties, except as disclosed in Item 6.3 of the Disclosure Schedule.

SECTION 6.4 Validity, etc. Subject to the entry of the Interim Order (or the Final Order, when applicable) by the Bankruptcy Court, each Loan Document, in each case to which any Obligor is a party, constitutes the legal, valid and binding obligations of such Obligor, enforceable against such Obligor in accordance with their respective terms (except, in any case, as such enforceability may be limited by applicable bankruptcy, insolvency, reorganization or similar laws affecting creditors' rights generally and by principles of equity).

SECTION 6.5 Financial Information. The financial statements of Holdings and its Subsidiaries furnished to the Administrative Agent and each Lender pursuant to the Pre-Petition Credit Agreement have been prepared in accordance with GAAP consistently applied, and present fairly the consolidated financial condition of the Persons covered thereby as at the dates thereof and the results of their operations for the periods then ended. All balance sheets, all statements of income and of cash flow and all other financial information of each of Holdings and its Subsidiaries furnished pursuant to Section 7.1.1 have been and will for periods following the Closing Date be prepared in accordance with GAAP consistently applied (other than the unaudited financial statements furnished pursuant to Section 7.1.1, which have been and will be prepared consistently with the financial statements delivered pursuant to the Pre-Petition Credit

Agreement), and do or will present fairly the consolidated financial condition of the Persons covered thereby as at the dates thereof and the results of their operations for the periods then ended.

SECTION 6.6 [Reserved].

SECTION 6.7 Litigation, Labor Controversies, etc. Other than the Chapter 11 Cases, there is no pending or, to the knowledge of the Borrower or any of its Subsidiaries, threatened litigation, action, proceeding or labor controversy affecting the Borrower, any of its Subsidiaries or any other Obligor, or any of their respective properties, businesses, assets or revenues, which (a) could reasonably be expected to have a Material Adverse Effect; or (b) purports to affect the legality, validity or enforceability of any Loan Document or the transactions contemplated hereby.

SECTION 6.8 Subsidiaries. The Borrower has no Subsidiaries, except those Subsidiaries which are identified in Item 6.8 of the Disclosure Schedule, or which are permitted to have been organized or acquired in accordance with Sections 7.2.5 or 7.2.8.

SECTION 6.9 Ownership of Properties. The Borrower and each of its Subsidiaries has (a) in the case of owned real property, good and indefeasible fee title to, (b) in the case of owned personal property, good and valid title to, or (c) in the case of leased real or personal property, valid and enforceable leasehold interests (as the case may be) in, all of its material properties and assets, tangible and intangible, of any nature whatsoever, free and clear in each case of all Liens or claims, except for Liens permitted pursuant to Section 7.2.3. The real property listed in Item 6.9 of the Disclosure Schedule constitutes, as of the Closing Date, all of the real property owned or leased by the Borrower and its Subsidiaries as of the Closing Date.

SECTION 6.10 Taxes. The Borrower and each of its Subsidiaries has filed or caused to be filed all material Tax returns and reports required by law to have been filed by it and has paid all material Taxes that it is required to pay to the extent due, except any such Taxes which are being diligently contested in good faith by appropriate proceedings and for which adequate reserves in accordance with GAAP shall have been set aside on its books.

SECTION 6.11 Pension and Multiemployer Plans.

(a) Neither the Borrower nor any of its Subsidiaries has maintained, contributed to, or has any liability with respect to, a Pension Plan.

(b) No ERISA Event has occurred, which could reasonably be expected to result in a Material Adverse Effect. No condition exists or event or transaction has occurred with respect to any Pension Plan or Multiemployer Plan which might result in an ERISA Event, which could reasonably be expected to result in a Material Adverse Effect.

(c) As of the most recent valuation date for each Multiemployer Plan, the potential Withdrawal Liability of the Borrower or any member of the Controlled Group for a complete or partial withdrawal from such Multiemployer Plan could not reasonably be expected to result in a Material Adverse Effect.

SECTION 6.12 Environmental Warranties. Except as set forth in Item 6.12 of the Disclosure Schedule.

(a) The Borrower and its Subsidiaries, and their operations, are in material compliance with all Environmental Laws and have been for the past five years except for noncompliance that would not reasonably be expected to result in the Borrower or its Subsidiaries incurring material liability;

(b) there are no material pending or to Borrower's knowledge threatened (i) claims, complaints, notices or requests for information received by the Borrower or any of its Subsidiaries with respect to any alleged violation of any Environmental Law, or (ii) written complaints, notices or inquiries to the Borrower or any of its Subsidiaries regarding potential material liability under any Environmental Law;

(c) there have been no Releases of Hazardous Materials at, on or under any property now or, to the extent related to any acts or omissions of the Borrower or any of its Subsidiaries, previously owned, operated or leased by the Borrower or any of its Subsidiaries that have, or could reasonably be expected to have, a Material Adverse Effect;

(d) the Borrower and its Subsidiaries have obtained and are in material compliance with all permits, certificates, approvals, licenses and other authorizations relating to environmental matters that are necessary for their businesses as currently conducted;

(e) no property now or, to the Borrower's knowledge, previously owned, operated or leased by the Borrower or any of its Subsidiaries is listed or proposed for listing (with respect to owned property only) on the National Priorities List pursuant to CERCLA, on the CERCLIS or on any similar state or foreign list of sites to be investigated or cleaned-up, that individually or in the aggregate, have, or could reasonably be expected to have, a Material Adverse Effect;

(f) neither Borrower nor any of its Subsidiaries has assumed by contract or operation of law any liabilities of any other person under Environmental Law, that individually or in the aggregate, have, or could reasonably be expected to have, a Material Adverse Effect;

(g) neither the Borrower nor any Subsidiary has disposed or arranged for the disposal of any Hazardous Material or waste at any location that is listed or proposed for listing on the National Priorities List pursuant to CERCLA, on the CERCLIS or on any similar state or foreign list, or that is the subject of governmental or private enforcement actions or other investigations which may lead to material claims against the Borrower or such Subsidiary under Environmental Law, including any claim for remedial work, damage to natural resources, personal injury, or cost recovery under CERCLA in each case that individually or in the aggregate could reasonably be expected to have a Material Adverse Effect;

(h) neither the Borrower nor any of its Subsidiaries has used any polychlorinated biphenyls or asbestos in a manner that, singly or in the aggregate, has or could reasonably be expected to have, a Material Adverse Effect and no such materials are present at any property owned, operated, or leased by Borrower or any of its Subsidiaries that, singly or in the aggregate, have or could reasonably be expected to have, a Material Adverse Effect; and

(i) to Borrower's knowledge no conditions exist at, on or under any property now or previously owned or leased by the Borrower which, with the passage of time, or the giving of notice or both, would give rise to material liability under any Environmental Law.

SECTION 6.13 Accuracy of Information. None of the factual information heretofore or contemporaneously furnished in writing to any Secured Party by or on behalf of any Obligor in connection with any Loan Document or any transaction contemplated hereby, when taken as a whole, contains any untrue statement of a material fact, or omits to state any material fact necessary to make any information not misleading, and no other factual information hereafter furnished in connection with any Loan Document by or on behalf of any Obligor to any Secured Party will contain any untrue statement of a material fact or will omit to state any material fact necessary to make any information, when taken as a whole with all information previously furnished, not misleading on the date as of which such information is dated or certified. The Approved Budget made available to the Administrative Agent and the Lenders by Holdings prior to the Closing Date with respect to the Borrower have been prepared in good faith based on assumptions believed by the Borrower and Holdings to be reasonable, it being understood that projections in the Approved Budget are not to be viewed as facts and are subject to significant uncertainties and contingencies, many of which are beyond the Borrower's control, that no assurance can be given that any particular financial projection will be realized, that actual results may differ and that such differences may be material.

SECTION 6.14 Regulations U and X. No Obligor is engaged in the business of extending credit for the purpose of buying or carrying margin stock, and no proceeds of any Credit Extensions will be used to purchase or carry margin stock or otherwise for a purpose which violates, or would be inconsistent with, F.R.S. Board Regulation U or Regulation X. Terms for which meanings are provided in F.R.S. Board Regulation U or Regulation X or any regulations substituted therefor, as from time to time in effect, are used in this Section with such meanings.

SECTION 6.15 Licenses, Patents, Copyrights, etc. Subject to the entry of the Interim Order (or the Final Order, when applicable) by the Bankruptcy Court, the Borrower and each Subsidiary, as applicable, owns, holds, possesses or has the right to use all Licenses and all intellectual property rights, necessary to own and operate its properties and to carry on its business as presently conducted or as presently planned to be conducted except to the extent that the failure to own or have the right to use the same could not reasonably be expected to have a Material Adverse Effect. Subject to the entry of the Interim Order (or the Final Order, when applicable) by the Bankruptcy Court, each of the foregoing Licenses and intellectual property licenses is in full force and effect and in good standing and the Borrower and each Subsidiary is in compliance in all material respects with all the terms and conditions of each thereof, with no

known conflict with the rights of others except to the extent that such conflict could not reasonably be expected to have a Material Adverse Effect.

SECTION 6.16 Material Contracts. Item 6.16 of the Disclosure Schedule (as it may be amended or supplemented from time to time) sets forth a complete and accurate list of all Material Contracts to which the Borrower or any of the Subsidiaries is a party showing the parties to such Material Contracts, the dates such Material Contracts were entered into, the subject matter of such Material Contracts and any other information useful to determine the materiality of such Material Contract to the business or operations of the Borrower or Subsidiary party thereto.

SECTION 6.17 Collateral. Upon entry of the Interim Order (and when applicable, the Final Order) by the Bankruptcy Court, the Interim Order (and when applicable, the Final Order) the Security Agreement will create in favor of the Administrative Agent, for the benefit of the Secured Parties, a legal, valid and enforceable security interest in the Collateral described therein and proceeds thereof enforceable against the Obligors in accordance with its terms, except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the enforcement of creditors' rights generally and by general equitable principles (whether enforcement is sought by proceedings in equity or at law). Upon entry of the Interim Order (and when applicable, the Final Order) by the Bankruptcy Court, the Interim Order (and when applicable, the Final Order), the Liens created by the Orders shall constitute fully perfected Liens on, and security interest in, all right, title and interest of the Obligors in such Collateral and the proceeds thereof (other than to the extent otherwise permitted under the Loan Documents) in each case with the priority set forth in Section 11.1 and the Orders (except as otherwise expressly set forth in this Agreement), in each case prior and superior in right to any other Person (except Liens permitted under Section 7.2.3 and the Carve-Out).

SECTION 6.18 Regulatory Matters.

(a) Southern Air is an "air carrier" as defined in the U.S. Transportation Code (49 U.S.C. Section 40102(a)(2)) and holds a certificate or certificates issued under 49 U.S.C. Section 41102(a)(1) or 41103, or exemptions therefrom under 49 U.S.C. Section 40109. Southern Air is engaged in operations as an "air carrier" is a "citizen of the United States" as defined in 49 U.S.C. Section 40102(a)(15) (a "United States Citizen") and holds an air carrier operating certificate issued pursuant to Chapter 447 of Title 49 for aircraft capable of carrying 10 or more individuals or 6,000 pounds or more of cargo. Southern Air possess all necessary certificates, franchises, Licenses, permits, rights and concessions and consents which are material to the operation of the routes flown by it and the conduct of its business and operations as currently conducted.

(b) The Borrower is an "eligible borrower" within the meaning of the Regulations; the Borrower does not have any outstanding delinquent Federal debt (including tax liabilities); and the Loan Documents and the transactions contemplated hereby comply with the requirements of the Act and the Regulations.

SECTION 6.19 Use of Proceeds.

(a) The Borrower will use the proceeds of the Loans to pay related fees, commissions and expenses subject to and in a manner consistent with the Approved Budget, including to pay (i) all fees due to the Administrative Agent and the Lenders as provided under this Agreement or the other Loan Documents, (ii) all reasonable out-of-pocket professional fees and expenses (including legal, financial advisor, appraisal and valuation-related fees and expenses) incurred by the Administrative Agent, including, without limitation, those incurred in connection with the preparation, negotiation, documentation and court approval of this Agreement and any other Loan Documents; (iii) all reasonable out-of-pocket costs and expenses, including professional fees and expenses (including legal, financial advisor, appraisal and valuation-related fees and expenses), incurred by the Pre-Petition Agent, in each case, as provided for in the Orders, (iv) Post-Petition and approved (by the Bankruptcy Court, with the express consent of the Administrative Agent at the direction of the Required Lenders) Pre-Petition operating expenses and other working capital, general corporate needs and financing requirements of the Borrower and its Subsidiaries, (v) certain other costs and expenses related to the administration of the Chapter 11 Cases, and (vi) professional fees and expenses of the Debtors and any official creditors' committee (if any) appointed by the Bankruptcy Court. Notwithstanding anything to the contrary in this Agreement and subject to the limitations set forth in the Orders, no Loans, Cash Collateral, the Carve-Out proceeds or any other proceeds of any of the foregoing shall be used to: (A) , except to the extent permitted in the Approved Budget, pay interest and principal with respect to any Indebtedness (other than Indebtedness incurred under this Agreement); provided, however, for the avoidance of doubt, nothing in this Section 6.19 shall limit the Debtors' ability to make payments in respect of adequate protection to the Pre-Petition Agent and the Pre-Petition Lenders, pursuant to the Orders, (B) finance in any way any adversary action, investigation, suit, arbitration, proceeding, application, motion or other litigation of any type relating to or in connection with the Pre-Petition Credit Agreement or instruments entered into in connection therewith, including, without limitation, any challenges to the Pre-Petition Credit Agreement or any instruments entered into in connection therewith, including, without limitation, any challenges to the Pre-Petition Obligations or the validity, perfection, priority, or enforceability of any Lien securing such claims or any payment made thereunder, (C) finance in any way any investigation, action, suit, arbitration, proceeding, application, motion or other litigation of any type adverse to the interests of the Administrative Agent, or the Lenders or their rights and remedies under this Agreement, the other Loan Documents, the Interim Order or the Final Order, (D) seek authorization for any party to use any of the Cash Collateral of the Secured Parties except as set forth in the Orders or (E) except as otherwise permitted hereunder, obtain Liens that are senior to, or *pari passu* with, the Liens of the Administrative Agent, the Lenders and the other Secured Parties in the Collateral or any portion thereof.

(b) The Loans shall be used in compliance with the Orders.

ARTICLE VII
COVENANTS

SECTION 7.1 Affirmative Covenants. The Borrower agrees with each Lender and the Administrative Agent that until the Termination Date (other than with respect to the Secured OHAA Payment Obligations) has occurred, the Borrower will, and will cause its Subsidiaries to, perform or cause to be performed the obligations set forth below.

SECTION 7.1.1 Financial Information, Reports, Notices, etc. The Borrower will furnish each Lender and the Administrative Agent copies of the following financial statements, reports, notices and information:

(a) as soon as available and in any event within 45 days after the end of each Fiscal Quarter of each Fiscal Year, an unaudited consolidated balance sheet of Holdings and its Subsidiaries as of the end of such Fiscal Quarter and consolidated statements of income and cash flow of Holdings and its Subsidiaries for such Fiscal Quarter and for the period commencing at the end of the previous Fiscal Year and ending with the end of such Fiscal Quarter, and including (in each case), (i) in comparative form the figures for the corresponding Fiscal Quarter in, and year to date portion of, the immediately preceding Fiscal Year and (ii) the references to hours flown, in each case, certified as complete and correct by the chief financial or accounting Authorized Officer of the Borrower;

(b) as soon as possible and in any event within three Business Days after an officer of the Borrower or any other Obligor obtains knowledge of the occurrence of a Default, a statement of an Authorized Officer of the Borrower setting forth details of such Default and the action which the Borrower or such Obligor has taken and proposes to take with respect thereto;

(c) as soon as possible and in any event within five Business Days after an officer of the Borrower or any other Obligor (i) obtains knowledge of the commencement of any Material Adverse Effect, any litigation, action, proceeding or labor controversy of the type and materiality described in Section 6.7, notice thereof and, to the extent the Administrative Agent requests, copies of all documentation relating thereto and (ii) receives written notice that a customer to a Material Customer Contract will not perform any material obligations or payment obligations under any Material Customer Contract (without regard to any grace period in such contract or any amendment or waiver thereto);

(d) promptly upon becoming aware of the occurrence of an ERISA Event, a statement of an Authorized Officer of the Borrower setting forth details of such ERISA Event and the action which the Borrower or such Obligor has taken and proposes to take with respect thereto;

(e) such other financial and other information as any Lender through the Administrative Agent may from time to time reasonably request;

(f) as soon as available, and in any event within 30 days after the end of each month of each Fiscal Year, commencing with the month in which the date hereof occurs, an unaudited consolidated balance sheet of Holdings and its Subsidiaries as of the end of such month and consolidated statements of income and cash flow of Holdings and its Subsidiaries for such month and for the period commencing at the end of the previous Fiscal Year and ending with the end of such month, and including (in each case), in comparative form the figures for the corresponding month in, and year to date portion of, the immediately preceding Fiscal Year and the corresponding figures from the consolidated budget prepared for the current Fiscal Year and (ii) a calculation of EBITDA as of the end of such month and a description of monthly hours flown by Holdings and its Subsidiaries as of the end of such month, in the case of each of clause (i) and (ii), certified as complete and correct by the chief financial or accounting Authorized Officer of the Borrower;

(g) concurrently with the delivery of the financial statements required to be delivered pursuant to clauses (a) and (f) of this Section 7.1.1, a narrative report by the chief financial or accounting Authorized Officer of the Borrower describing the operations of Holdings and its Subsidiaries for the applicable month, Fiscal Quarter or Fiscal Year and for the period from the beginning of the then current Fiscal Year to the end of such period to which such financial statements relate;

(h) as soon as practicable and in any event within two Business Days of the applicable filing, copies of all pleadings, motions, applications, judicial information, financial information and other documents filed by or on behalf of the Debtors with the Bankruptcy Court or the U.S. Trustee in any Chapter 11 Cases that are not otherwise made publicly available by filings on the Electronic Case Filing System for such Chapter 11 Cases (the "Court Documents"); provided, however, that any such Court Documents filed under seal and/or subject to confidentiality and other restrictions prohibiting disclosure to the Administrative Agent shall not be provided to Administrative Agent;

(i) as soon as practicable and in any event within two Business Days of the applicable filing, copies of any reports filed in any Chapter 11 Case and provided to any creditors' or other committee or the U.S. Trustee ("Committee Documents") that are not otherwise made publicly available by filings on the Electronic Case Filing System for such Chapter 11 Case; provided, however, that any such Committee Documents filed under seal and/or subject to confidentiality and other restrictions prohibiting disclosure to the Administrative Agent shall not be provided to Administrative Agent; and

(j) as soon as practicable and in any event within 10 Business Days of the Petition Date, a schedule of all liabilities on the Petition Date of the type that would be required to be set forth on a consolidated balance sheet prepared in accordance with GAAP, except (i) the liabilities reflected on the balance sheet most recently delivered by the Borrower pursuant to the Pre-Petition Credit Agreement and (ii) liabilities incurred in the ordinary course of business since the date of such balance sheet (none of which results from or arises out of any breach of or default under any contract, breach of warranty, tort, infringement or violation of law).

SECTION 7.1.2 Maintenance of Existence; Compliance with Contracts, Laws, etc. The Borrower will, and will cause each of its Subsidiaries to, (a) preserve and maintain its legal existence (except as otherwise permitted by Sections 7.2.7 and 7.2.8), (b) to the extent provided for in the Approved Budget (but subject to Section 7.1.15) and required under the Bankruptcy Code, perform in all material respects their obligations under material agreements to which the Borrower or a Subsidiary is a party, and (c) comply with all material applicable laws, rules, regulations and orders, including the payment (before the same become delinquent), to the extent provided for in the Approved Budget (but subject to Section 7.1.15) and permitted under the Bankruptcy Code, of all material Taxes, imposed upon the Borrower or its Subsidiaries or upon their property, except to the extent being diligently contested in good faith by appropriate proceedings and for which adequate reserves in accordance with GAAP have been set aside on the books of the Borrower or its Subsidiaries, as applicable.

SECTION 7.1.3 Maintenance of Properties and Licenses. The Borrower will, and will cause each of its Subsidiaries to, consistent with Section 7.1.15, maintain, preserve, protect and keep its and their respective tangible properties and Licenses (which are necessary or useful in the proper conduct of its business) in good repair, working order and condition (ordinary wear and tear and casualty and condemnation excepted), and, consistent with Section 7.1.15, make necessary repairs, renewals and replacements so that the business carried on by the Borrower and its Subsidiaries may be properly conducted at all times, unless the Borrower or such Subsidiary determines in good faith that the continued maintenance of such property is no longer economically desirable, necessary or useful to the business of the Borrower or any of its Subsidiaries or the Disposition of such property is otherwise permitted by Section 7.2.8 or 7.2.9.

SECTION 7.1.4 Insurance. The Borrower will, and will cause each of its Subsidiaries, to, consistent with Section 7.1.15, maintain (a) insurance on its property with financially sound and reputable insurance companies against loss and damage in at least the amounts (and with only those deductibles) customarily maintained, and against such risks as are typically insured against in the same general area, by Persons of comparable size engaged in the same or similar business as the Borrower and its Subsidiaries; and (b) all worker's compensation, employer's liability insurance or similar insurance as may be required under the laws of any state or jurisdiction in which it may be engaged in business.

Without limiting the foregoing, all insurance policies required pursuant to this Section shall name the Administrative Agent on behalf of the Secured Parties as loss payee (in the case of property insurance) or additional insured (in the case of liability insurance), as applicable, and provide that no cancellation of the policies will be made without thirty days' prior written notice to the Administrative Agent. If a Casualty Event shall occur, and if the Borrower notifies the Administrative Agent as provided in clause (e) of Section 3.1.1 that it intends to apply the Net Casualty Proceeds attributable to such Casualty Event to the acquisition of property or the repair or restoration of the affected property, the Administrative Agent shall, so long as no Default then exists, following receipt of such Net Casualty Proceeds, pay the same over to the Borrower.

SECTION 7.1.5 Books and Records; Visitation. The Borrower will, and will cause each of its Subsidiaries to, keep books and records in accordance with GAAP which accurately reflect all of its business affairs and transactions and permit the Lenders or any of their respective representatives, at reasonable times and intervals upon reasonable notice to the Borrower, to visit

each Obligor's offices, to discuss such Obligor's financial matters with its officers and employees, and its independent public accountants (and the Borrower hereby authorizes such independent public accountant to discuss each Obligor's financial matters with the Lenders or their representatives with the Borrower having the right to have a representative of such Obligor present) and to examine and make extracts from any of its books and records; provided that, unless an Event of Default has occurred or is occurring, the Lenders (other than the Administrative Agent) shall be limited to one such visit per Fiscal Year (for all Lenders and coordinated through the Administrative Agent), each such visit to be at a reasonable interval and upon reasonable notice as provided above. The Borrower shall pay any fees of such independent public accountant incurred in connection with any Lender's exercise of its rights pursuant to this Section.

SECTION 7.1.6 Financial Consultant. The Borrower shall continue to retain, on terms and conditions reasonably acceptable to the Lenders and at the sole cost and expense of the Borrower, Zolfo Cooper or such other business consultant as is reasonably acceptable to the Administrative Agent to, among other things, advise the Borrower in connection with the management and operation of its business and to assist the Borrower with preparation of the Approved Budget and the other financial and collateral reporting required to be delivered to the Administrative Agent pursuant to this Agreement (it being understood that the terms and conditions of the engagement of Zolfo Cooper that have been provided to the Administrative Agent are satisfactory to the Administrative Agent). In the event Zolfo Cooper ceases for any reason to act in that capacity, the Borrower shall engage a successor consultant acceptable to the Administrative Agent within thirty days (or such later date agreed to by the Administrative Agent) of such event.

SECTION 7.1.7 Environmental Law. The Borrower will, and will cause each of its Subsidiaries to, (a) use and operate all of its and their facilities and properties in material compliance with all Environmental Laws, keep all material permits, approvals, certificates, licenses and other authorizations relating to environmental matters in effect and remain in material compliance therewith, handle all Hazardous Materials in material compliance with all applicable Environmental Laws, and exercise due care by undertaking response activities as necessary to mitigate material unacceptable exposure to Hazardous Materials released at or from its or their facilities and properties; (b) promptly notify the Administrative Agent and provide copies upon receipt of all material written claims, complaints, notices or inquiries relating to the condition of its facilities and properties in respect of, or as to compliance with, Environmental Laws; (c) use commercially reasonable efforts to promptly resolve any material non-compliance with or material liability under Environmental Laws; and (d) keep its owned and their owned or leased property free of any Lien imposed by any Environmental Law.

SECTION 7.1.8 Use of Proceeds. The Borrower will use the proceeds of the Loans only for the purposes set forth in Section 6.19.

SECTION 7.1.9 Future Guarantors, Security, etc. The Borrower will, and will cause each U.S. Subsidiary to, execute any documents, Filing Statements, agreements and instruments, and take all further action (including filing Mortgages) that may be required under applicable law, or that the Administrative Agent may reasonably request, in order to effectuate the transactions contemplated by the Loan Documents and in order to grant, preserve, protect and

perfect the validity and first priority (subject to Liens permitted by Section 7.2.3) of the Liens created or intended to be created by the Loan Documents and the Orders. The Borrower will cause any subsequently acquired or organized U.S. Subsidiary to execute a supplement (in form and substance reasonably satisfactory to the Administrative Agent) to the Subsidiary Guaranty and each other applicable Loan Document in favor of the Secured Parties. In addition, from time to time, the Borrower will, at its cost and expense, promptly secure the Obligations by pledging or creating, or causing to be pledged or created, perfected Liens with respect to such of its assets and properties as the Administrative Agent shall designate, it being agreed that it is the intent of the parties that the Obligations shall be secured by, among other things, substantially all the assets of the Borrower and its U.S. Subsidiaries (including real and personal property acquired subsequent to the Closing Date); provided that neither the Borrower nor any of its Subsidiaries shall be required to pledge more than 65% of the Voting Securities of any Foreign Subsidiary. Such Liens will be created under the Loan Documents in form and substance reasonably satisfactory to the Administrative Agent, and the Borrower shall deliver or cause to be delivered to the Administrative Agent all such instruments and documents (including legal opinions, title insurance policies and lien searches) as the Administrative Agent shall reasonably request to evidence compliance with this Section.

SECTION 7.1.10 Material Contracts. The Borrower will, and will cause each of its Subsidiaries to, to the extent provided for in the Approved Budget (but subject to Section 7.1.15), perform and observe all the terms and provisions of each Material Contract to be performed or observed by it, maintain each Material Contract in full force and effect, enforce each Material Contract in accordance with its terms, take all such action to such end as may be from time to time requested by the Administrative Agent and, upon request of the Administrative Agent, make to each other party to each Material Contract such demands and requests for information and reports or for action as the Borrower or any of its Subsidiaries is entitled to make under such Material Contract, except, in any case, where the failure to do so, either individually or in the aggregate, could not reasonably be expected to have a Material Adverse Effect.

SECTION 7.1.11 Federal Aviation Administration Matters; Citizenship. Southern Air shall be an "air carrier" as defined in U.S. Transportation Code (49 U.S.C. Section 40102(a)(2)) and hold a certificate or certificates issued under 49 U.S.C. Section 41102(a)(1) or 49 U.S.C. Section 41103, or exemptions therefrom under 49 U.S.C. Section 40109, as currently in effect or as may be amended or recodified from time to time. The Borrower will cause Southern Air to be a United States Citizen holding an air carrier operating certificate issued pursuant to Chapter 447 of Title 49 for aircraft capable of carrying 10 or more individuals or 6,000 pounds or more of cargo. The Borrower will cause Southern Air to possess and maintain all necessary consents, franchises, licenses, permits, rights, authorities and concessions and consents which are material to the operation of the routes flown by it and the conduct of its business and operations from time to time.

SECTION 7.1.12 [RESERVED].

SECTION 7.1.13 Bankruptcy Related Matters. The Borrower shall provide the Administrative Agent and the Secured Parties with reasonable access to non-privileged information (including historical information) and relevant personnel regarding strategic

planning, cash and liquidity management, operational and restructuring activities, in each case subject to customary confidentiality restrictions.

SECTION 7.1.14 Compliance with Milestones. Unless otherwise waived by the Required Lenders in their sole discretion, each Obligor shall achieve the events as set forth below (the "Milestones") by the dates specified therein (or such later date as may be agreed to by the Administrative Agent at the direction of the Required Lenders in their sole discretion):

(a) filing of a plan of reorganization (the "Plan") and a disclosure statement with respect to such Plan satisfactory to the Administrative Agent and the Required Lenders in all respects (the "Disclosure Statement"), on or prior to the date that is fifteen (15) Business Days after the Petition Date;

(b) obtaining an order from the Bankruptcy Court approving the Disclosure Statement, which order is satisfactory to the Administrative Agent and the Required Lenders in all respects, on or prior to the date that is forty –five (45) days after filing of the Disclosure Statement;

(c) obtaining an order from the Bankruptcy Court confirming the Plan, which order is satisfactory to the Administrative Agent and the Required Lenders in all respects, on or prior to the date that is sixty (60) days after the date on which the Disclosure Statement is approved; provided that the Borrower shall use all commercially reasonable efforts to refinance the DIP Facility as promptly as practicable following the Petition Date;

(d) filing a motion on or prior to the date that is thirty (30) days after the Petition Date to reject certain non-residential real property leases relating to property located in Norwalk, Connecticut as soon as practicable;

(e) delivery of the Rationalization Strategy to the Administrative Agent on or prior to the date that is fourteen (14) calendar days after the Petition Date;

(f) entry of the Final Order approving this Agreement by 45 days after the date of entry of the Interim Order;

(g) delivery to the Administrative Agent, on or prior to December 15, 2012, of a business plan for the Borrower and its Subsidiaries in form and substance reasonably satisfactory to the Required Lenders, which shall (i) take into consideration the uncertainty related to the revised collective bargaining agreements and any remaining uncertainties relating to rationalization of the airplane fleet, (ii) demonstrate the basis on which the Borrower and its Subsidiaries are able to achieve such business plan and (iii) describe a strategy for the Debtors to conclude their Chapter 11 Cases, whether by sale, plan of reorganization or otherwise;

(h) the occurrence of the date that is one hundred twenty (120) days after the Petition Date, if the Plan has not been confirmed on or before such date; and

(i) entry of an order of the Bankruptcy Court confirming the Plan shall have occurred by the date that is 150 days after the Petition Date.

SECTION 7.1.15 Maximum Budget Variance.

(a) Attached hereto as Exhibit M is the Approved Budget as of the Closing Date. Beginning on Monday, October 8, 2012 (by 6:00 p.m. New York City time), and every Monday thereafter (by 6:00 p.m. New York City time), the Debtors shall deliver (i) an updated thirteen-week cash flow budget (each such updated budget, a "Supplemental Budget") and (ii) a narrative report by the chief financial or accounting Authorized Officer of the Borrower describing such Supplemental Budget. Beginning on Monday, October 8, 2012 and on the first Monday of each calendar month thereafter, if and only if the Required Lenders approve the Supplemental Budget delivered on such date, with such approval not to be unreasonably withheld where such Supplemental Budget is reasonably consistent with the then-existing Approved Budget (after taking into consideration the Debtors' actual performance relative to the then-existing Approved Budget and any reasonably expected improvements in such performance), then such Supplemental Budget shall automatically become the Approved Budget. On the Monday of each week (by 6:00 p.m. New York City time), the Borrower shall provide a variance report (a "Variance Report") with respect to the (a) immediately prior week setting forth actual cash receipts and disbursements for the prior week and setting forth any variances, on a line-item basis, from the amount set forth for such week in the Approved Budget and (b) from the Closing Date to the date of such Variance Report, and including explanations of all material variances. Each such report shall be certified by the Chief Financial Officer of the Borrower as being (i) prepared in good faith and fairly presenting in all material respects the information set forth therein and (ii) in compliance with Section 7.2.4 as of the last day of the relevant period.

(b) Commencing on Monday, October 8, 2012, and thereafter, tested by reference to the Variance Report each week, (i) the aggregate expenditures and disbursements by the Obligors for each line item in the Approved Budget for each rolling four-week period shall not exceed $500,000 of the corresponding line item expenditures budgeted for such time period and (ii) the aggregate expenditures by the Obligors in the Approved Budget for each rolling four-week period shall not exceed 110% of the corresponding aggregate expenditures budgeted for such time period (after giving effect to a 2-week carryover with respect unused aggregate permitted amount) (such percentages, the "Permitted Deviation").

SECTION 7.1.16 Post-Petition Obligations. The Borrower shall pay, discharge or otherwise satisfy at or before maturity or before they become delinquent, as the case may be, all its Post-Petition obligations of whatever nature, except (a) where such payment, discharge or satisfaction is prohibited by the Bankruptcy Code or an order of the Bankruptcy Court or by this Agreement or would not be in compliance with the Approved Budget (subject to Section 7.1.15), or (b) where the amount or validity thereof is currently being contested in good faith by appropriate proceedings and reserves in conformity with GAAP with respect thereto have been provided on the books of the Borrower.

SECTION 7.2 Negative Covenants. The Borrower covenants and agrees with each Lender and the Administrative Agent that until the Termination Date (other than with respect to the Secured OHAA Payment Obligations) has occurred, the Borrower will, and will cause its Subsidiaries to, perform or cause to be performed the obligations set forth below.

SECTION 7.2.1 Business Activities. The Borrower will not, and will not permit any of its Subsidiaries to, engage in any business activity except those business activities engaged in on the date of this Agreement and activities reasonably incidental or related thereto.

SECTION 7.2.2 Indebtedness. The Borrower will not, and will not permit any of its Subsidiaries to, create, incur, assume or permit to exist any Indebtedness, other than

(a) Indebtedness in respect of the Obligations;

(b) Indebtedness existing as of the Closing Date (the "Rollover Debt") which is identified in Item 7.2.2(b) of the Disclosure Schedule;

(c) unsecured Indebtedness (i) constituting trade payables incurred in the ordinary course of business of the Borrower and its Subsidiaries (including open accounts extended by suppliers on normal trade terms in connection with purchases of goods and services which are not overdue for a period of more than 90 days or, if overdue for more than 90 days, as to which a dispute exists and adequate reserves in conformity with GAAP have been established on the books of the Borrower or such Subsidiary) and (ii) in respect of performance, surety or appeal bonds provided in the ordinary course of business, but excluding (in each case), Indebtedness incurred through the borrowing of money or Contingent Liabilities in respect thereof;

(d) Indebtedness (i) in respect of industrial revenue bonds or other similar governmental or municipal bonds, (ii) evidencing the deferred purchase price of newly acquired property or incurred to finance the acquisition of assets of the Borrower and its Subsidiaries (pursuant to purchase money mortgages or otherwise, whether owed to the seller or a third party) used in the ordinary course of business of the Borrower and its Subsidiaries (provided that such Indebtedness is incurred within 180 days of the acquisition of such property) and (iii) in respect of Capitalized Lease Liabilities; provided that the aggregate amount of all Indebtedness outstanding pursuant to this clause shall not at any time exceed $100,000 and shall be incurred in accordance with the Approved Budget;

(e) Indebtedness of any Subsidiary owing to the Borrower or any other Subsidiary, which Indebtedness shall, if payable to the Borrower or a Subsidiary Guarantor and in a principal amount in excess of $100,000, be evidenced by one or more promissory notes in form and substance reasonably satisfactory to the Administrative Agent, duly executed and delivered in pledge to the Administrative Agent pursuant to a Loan Document, and shall not be forgiven or otherwise discharged for any consideration other than payment in full or in part in cash (provided that only the amount repaid in part shall be discharged);

(f) Permitted Refinancings of Indebtedness permitted by this Section 7.2.2;

(g) Indebtedness incurred pursuant to the Pre-Petition Credit Agreement; and

(h) Indebtedness contemplated by the Approved Budget or the Rationalization Strategy;

provided that (i) no Indebtedness otherwise permitted by clauses (d) and (i) shall be assumed, created or otherwise incurred if a Default has occurred and is then continuing or would result therefrom, (ii) the Indebtedness permitted under this Section shall be deemed to include Contingent Liabilities in respect thereof and (iii) no Indebtedness shall be permitted to be incurred by a Foreign Subsidiary.

Notwithstanding the foregoing, and except for the Carve-Out or as otherwise provided in Section 11.2 or the Orders, no Indebtedness under clauses (b) through (i) shall be permitted to have an administrative expense claim or super-priority status under the Bankruptcy Code senior to or *pari passu* with the super-priority administrative expense claims of the Administrative Agent and the Lenders (or the adequate protection claims of the Pre-Petition Agent) as set forth herein and in the Orders.

SECTION 7.2.3 Liens. The Borrower will not, and will not permit any of its Subsidiaries to, create, incur, assume or permit to exist (i) any administrative expense, unsecured claim, or other super-priority claim or Lien that is *pari passu* with or senior to the claims of the Lenders under the Loan Documents, or apply to the Bankruptcy Court for authority to do so, or (ii) any obligation to make adequate protection payments, or otherwise provide adequate protection, other than as provided in the Order, upon any of its property (including Capital Securities of any Person), revenues or assets, whether now owned or hereafter acquired, except

(a) Liens securing payment of the Obligations;

(b) (i) Liens existing as of the Closing Date and perfected on the Petition Date and disclosed in Item 7.2.3(b)-1 of the Disclosure Schedule and (ii) Liens existing as of the Closing Date and perfected subsequent to the Petition Date and disclosed in Item 7.2.3(b)-2 of the Disclosure Schedule, and modifications, renewals, extensions or refinancings of any Indebtedness secured by such Liens; provided that (i) no such Lien shall encumber any additional property (other than (x) after-acquired property affixed or incorporated into the property covered by such Lien or financed by Indebtedness permitted under Section 7.2.2 and (y) proceeds and products thereof), (ii) in the case of Liens that existed on the Closing Date, the principal amount of Indebtedness secured by such Lien is not increased from that existing on the Closing Date (as such Indebtedness may have been permanently reduced subsequent to the Closing Date) and (iii) in the case of each of the Liens on such schedule referred to collectively as the "Aircraft and Wet Lease Liens", the amount of Indebtedness (if any) secured by such Lien is not increased from that reflected in the applicable Capitalized Lease Liability (as in effect on the effective date thereof) (as such Indebtedness may have been permanently reduced subsequent to such date);

(c) Liens securing Indebtedness of the type permitted under clause (d) of Section 7.2.2; provided that (i) such Lien is granted within 180 days after such Indebtedness is incurred and (ii) such Lien only covers the assets that are the subject of the Indebtedness referred to in such clause;

(d) Liens in favor of carriers, warehousemen, mechanics, materialmen and landlords granted in the ordinary course of business for amounts not more than 45 days

overdue or being diligently contested in good faith by appropriate proceedings and for which adequate reserves in accordance with GAAP shall have been set aside on its books;

(e) Liens incurred or deposits made in the ordinary course of business in connection with worker's compensation, unemployment insurance or other forms of governmental insurance or benefits, or to secure performance of tenders, statutory obligations, bids, leases or other similar obligations (other than for borrowed money) entered into in the ordinary course of business or to secure obligations on surety and appeal bonds or performance bonds;

(f) judgment Liens in existence for less than 45 days after the entry thereof or with respect to which execution has been stayed or nonpayment of the obligations secured thereby is permitted by the Bankruptcy Code or the payment of which is covered in full (subject to a customary deductible) by insurance maintained with responsible insurance companies and which do not otherwise result in an Event of Default under Section 8.1.6;

(g) easements, rights-of-way, zoning restrictions, restrictive covenants, conditions, encroachments, survey defects, minor defects or irregularities in title and other similar encumbrances not interfering in any material respect with the value or use of the property to which such Lien is attached;

(h) Liens for Taxes not at the time delinquent or thereafter payable without penalty or being diligently contested in good faith by appropriate proceedings and for which adequate reserves in accordance with GAAP shall have been set aside on its books;

(i) Liens granted pursuant to the Pre-Petition Credit Agreement;

(j) Liens granted pursuant to the Orders to secure the Obligations; and

(k) Liens contemplated by the Approved Budget or the Rationalization Strategy;

provided that no Liens shall be permitted to be incurred by a Foreign Subsidiary other than the Liens described in clauses (g) and (h) above.

SECTION 7.2.4 Net Liquidity. The Borrower will not permit actual Net Liquidity at any time during the most recently ended weekly period to be less than the Required Percentage of Net Liquidity as shown in the most recent Approved Budget for the corresponding weekly period and fails to maintain the required Net Liquidity shall be reported on 2 or more consecutively delivered Supplemental Budgets. The "Required Percentage" shall mean (i) from the Closing Date to and including the Final Order Date, 85.0% and (ii) after the Final Order Date, 80.0%.

SECTION 7.2.5 Investments. The Borrower will not, and will not permit any of its Subsidiaries to, purchase, make, incur, assume or permit to exist any Investment in any other Person, except:

(a) Investments existing on the Closing Date and identified in Item 7.2.5(a) of the Disclosure Schedule;

(b) Cash Equivalent Investments; provided that the Cash Equivalent Investments of any Subsidiary that is not a Guarantor Subsidiary shall not exceed $100,000 at any time;

(c) Investments received in connection with the bankruptcy or reorganization of, or settlement of delinquent accounts and disputes with, customers and suppliers, in each case in the ordinary course of business;

(d) Investments by way of contributions to capital or purchases of Capital Securities (i) by the Borrower in any Subsidiaries or by any Subsidiary in other Subsidiaries; or (ii) by any Subsidiary in the Borrower;

(e) Investments constituting (i) accounts receivable arising, (ii) trade debt granted or (iii) deposits made in connection with the purchase price of goods or services, in each case in the ordinary course of business in accordance with the Approved Budget; and

(f) Investments that are consistent with the Approved Budget or the Rationalization Strategy;

provided that any Investment which when made complies with the requirements of the definition of the term "Cash Equivalent Investment" may continue to be held notwithstanding that such Investment if made thereafter would not comply with such requirements. In addition, to the extent that the Cash and Cash Equivalent Investments of any Subsidiary that is not a Guarantor Subsidiary exceeds $100,000 at any time, such excess shall be promptly paid as a dividend or distribution on the Capital Stock of such Subsidiary that is not a Guarantor Subsidiary to the Borrower or a Guarantor Subsidiary.

SECTION 7.2.6 Restricted Payments, etc. The Borrower will not, and will not permit any of its Subsidiaries to, declare or make a Restricted Payment, or make any deposit for any Restricted Payment, other than (a) Restricted Payments to Holdings for the purpose of paying, so long as all proceeds are promptly used by Holdings to pay, (i) operating expenses incurred in the ordinary course of business (including reasonable fees for audit, legal and similar administrative services, but excluding management fees and other amounts covered by clause (iv) below), (ii) without duplication of amounts paid under clause (iv) below, any income tax liability of Holdings attributable to the income of the Borrower and its Subsidiaries (provided that payments pursuant to this clause (ii) in any Fiscal Year shall not be in excess of the amount that the Borrower and its consolidated subsidiaries would be required to pay in respect of income taxes for such Fiscal Year were the Borrower to pay such taxes as a stand-alone taxpayer), and (iii) franchise or similar taxes and other similar taxes, fees and expenses required to maintain

Holdings' corporate existence, and (b) Restricted Payments made by Subsidiaries to Holdings, the Borrower, Subsidiary Guarantors or Subsidiaries of the Borrower or Subsidiary Guarantors.

SECTION 7.2.7 Issuance of Capital Securities. The Borrower will not, and will not permit any of its Subsidiaries to, issue any Capital Securities (whether for value or otherwise) to any Person, in the case of Subsidiaries, other than to the Borrower or another wholly owned Subsidiary.

SECTION 7.2.8 Consolidation, Merger; etc. The Borrower will not, and will not permit any of its Subsidiaries to, except as contemplated by the Plan, liquidate or dissolve, consolidate with, or merge into or with, any other Person, or purchase or otherwise acquire all or a substantial portion of the assets of any Person (or any division thereof), except any Subsidiary may liquidate or dissolve voluntarily into, and may merge with and into, the Borrower or any other Subsidiary (provided that a Subsidiary Guarantor may only liquidate or dissolve into, or merge with and into, the Borrower or another Subsidiary Guarantor or a Person who becomes a Subsidiary Guarantor simultaneously therewith), and the assets or Capital Securities of any Subsidiary may be purchased or otherwise acquired by the Borrower or any other Subsidiary (provided that the assets or Capital Securities of any Subsidiary Guarantor may only be purchased or otherwise acquired by the Borrower or another Subsidiary Guarantor or a Person who becomes a Subsidiary Guarantor simultaneously therewith); provided further that in no event shall any Subsidiary consolidate with or merge with and into any other Subsidiary unless after giving effect thereto, the Administrative Agent shall have a perfected pledge of, and security interest in and to, which security interest shall be maintained or created in accordance with the provisions of Section 7.1.13, at least the same percentage of the issued and outstanding interests of Capital Securities (on a fully diluted basis) and other assets of the surviving Person as the Administrative Agent had immediately prior to such merger or consolidation in form and substance satisfactory to the Administrative Agent and its counsel, pursuant to such documentation and opinions as shall be necessary in the opinion of the Administrative Agent to create, perfect or maintain the collateral position of the Secured Parties therein.

SECTION 7.2.9 Permitted Dispositions. The Borrower will not, and will not permit any of its Subsidiaries to, except as contemplated by the Plan, the Approved Budget or the Rationalization Strategy, Dispose of any of the Borrower's or such Subsidiaries' assets (including accounts receivable and Capital Securities of Subsidiaries) to any Person in one transaction or series of transactions unless such Disposition is (a) inventory or obsolete, damaged, worn out or surplus property Disposed of in the ordinary course of its business, (b) permitted by Section 7.2.8, (c)(i) for fair market value and the consideration received consists solely of cash, (ii) the Net Disposition Proceeds received from such Disposition, together with the Net Disposition Proceeds of all other assets Disposed of pursuant to this clause during the consecutive twelve month period in which such Disposition was made, does not exceed (individually or in the aggregate) $10,000,000 and (iii) the Net Disposition Proceeds from such Disposition are applied pursuant to Section 3.1.1, (d) Dispositions of accounts (as such term is defined in Section 9-102 of the UCC) for collection in the ordinary course of business, (e) Dispositions of assets caused by Casualty Events, or (f) Dispositions in the ordinary course of business of securities received in connection with work-outs of accounts (as such term is defined in Section 9-102 of the UCC) in the ordinary course of business, provided that in each case, the

Net Disposition Proceeds from such Disposition are for fair market value and the consideration received consists of cash and the Net Disposition Proceeds are applied pursuant to Section 3.1.1.

SECTION 7.2.10 No Prepayment of Debt. The Borrower will not, and will not permit any of its Subsidiaries to, except as otherwise permitted by this Agreement or the First Day Orders, make any payments or transfer, or agree to any setoff or recoupment, with respect to any Pre-Petition claim, Pre-Petition Lien or Pre-Petition Indebtedness of any Obligors, except (x) to the extent authorized by any First Day Orders or the Orders, or (y) as otherwise permitted by applicable law or order of the Bankruptcy Court.

Furthermore, neither the Borrower nor any Subsidiary will incur, create, assume, suffer to exist or permit any super-priority administrative claim which is *pari passu* with or senior to the super-priority claims under the Loan Documents, except as set forth in this Agreement or the other Loan Documents, the Orders or the First Day Orders.

SECTION 7.2.11 Modification of Certain Agreements. The Borrower will not, and will not permit any of its Subsidiaries to, except as contemplated by the Plan, consent to any amendment, supplement, waiver or other modification of, or enter into any forbearance from exercising any rights with respect to the terms or provisions contained in (a) any Organic Document of the Borrower or any of its Subsidiaries, if the result would have an adverse effect on the rights or remedies of any Secured Party; or (b) the Pre-Petition Credit Agreement, the Orders or the First Day Orders without the written consent of the Administrative Agent at the direction of the Required Lenders.

SECTION 7.2.12 Transactions with Affiliates. The Borrower will not, and will not permit any of its Subsidiaries to, except as contemplated by the Plan, enter into or cause or permit to exist any arrangement, transaction or contract (including for the purchase, lease or exchange of property or the rendering of services) with any of its other Affiliates, other than the Service Agreement, dated as of April 1, 2012, between Southern Air GmbH and Southern Air Inc. or unless such arrangement, transaction or contract (a) is on fair and reasonable terms no less favorable to the Borrower or such Subsidiary than it could obtain in an arm's-length transaction with a Person that is not an Affiliate and (b) is of the kind which would be entered into by a prudent Person in the position of the Borrower or such Subsidiary with a Person that is not one of its Affiliates.

SECTION 7.2.13 Restrictive Agreements, etc. The Borrower will not, and will not permit any of its Subsidiaries to, enter into any agreement prohibiting

(a) the creation or assumption of any Lien upon its properties, revenues or assets, whether now owned or hereafter acquired;

(b) the ability of any Obligor to amend or otherwise modify any Loan Document; or

(c) the ability of any Subsidiary to make any payments, directly or indirectly, to the Borrower, including by way of dividends, advances, repayments of loans, reimbursements of management and other intercompany charges, expenses and accruals or other returns on investments.

The foregoing prohibitions shall not apply to restrictions or conditions (i) contained in any Loan Document, (ii) in the case of clause (a), (A) contained in any agreement governing any Indebtedness permitted by clause (c) of Section 7.2.2 as to the assets financed with the proceeds of such Indebtedness, and (B) customary provisions in leases, licenses, subleases and sublicenses and other contracts restricting the assignment thereof to the extent such restrictions or conditions do not apply to Liens created or assumed under any Loan Documents or Liens permitted to be created or assumed under any Loan Documents, (iii) imposed by law and (iv) customarily contained in agreements relating to the sale of a Subsidiary or any assets of the Borrower or any Subsidiary pending such sale (provided such restrictions and conditions apply only to the Subsidiary or assets that are to be sold and such sale is permitted hereunder).

SECTION 7.2.14 Sale and Leaseback. The Borrower will not, and will not permit any of its Subsidiaries to, directly or indirectly enter into any agreement or arrangement providing for the sale or transfer by it of any property (now owned or hereafter acquired) to a Person and the subsequent lease or rental of such property or other similar property from such Person, unless such Disposition and any Indebtedness incurred thereby are permitted hereunder.

SECTION 7.2.15 Change to Fiscal Year. The Borrower will not change its Fiscal Year.

SECTION 7.2.16 Boeing 777F Lease Condition. Neither the Borrower nor any Subsidiary thereof may lease a B777F from OH Aircraft Acquisition, LLC (or its Affiliate that is a special purpose vehicle established for the purpose of leasing aircraft) unless it shall have executed a wet lease contract for such aircraft that the Borrower believes, acting in good faith, will provide the Borrower with cash earnings in excess of the incremental cash costs, including lease payments, crew costs, maintenance costs and insurance costs, of operating such aircraft for the twelve months following delivery of such aircraft.

SECTION 7.2.17 Certain Bankruptcy Matters. The Obligors shall not at any time:

(a) except as otherwise allowed herein or pursuant to the Orders, incur, create, assume, suffer to exist or permit any Lien or other super-priority administrative claim which is *pari passu* with or senior to the Liens or claims of the Administrative Agent and the Lenders against the Obligors, or the adequate protection Liens or claims of the Pre-Petition Agent against the Obligors, in each case, subject to the Carve-Out;

(b) make (i) any payments on account of any creditor's Pre-Petition unsecured claims, (ii) payments on account of claims or expenses arising under section 503(b)(9) of the Bankruptcy Code, or (iii) payments under any management incentive plan or on account of claims or expenses arising under Section 503(c) of the Bankruptcy Code, except in each case in amounts and on terms and conditions that (A) are approved by order of the Bankruptcy Court and (B) are in accordance with any Approved Budget satisfactory to the Required Lenders;

(c) make any adequate protection payments on account of any Pre-Petition Indebtedness, except as set forth herein or in the Interim Order (or, as applicable, the Final Order) in respect of the Obligations (as defined in the Pre-Petition Credit

Agreement) or in any other order of the Bankruptcy Court that is consented to by the Required Lenders;

(d) make or permit to be made any change, amendment or modification, or make an application or motion for any change, amendment or modification, to any Chapter 11 Order which could reasonably be expected to have a Material Adverse Effect in each case, without the prior written consent of the Required Lenders;

(e) except as otherwise permitted hereunder, contemplated by an Plan or consented to by the Required Lenders, consent to termination or reduction of the Debtors' exclusive plan filing and plan solicitation periods under section 1121 of the Bankruptcy Code (the "Exclusivity Periods") or fail to object to any motion by a party-in-interest (other than a Lender, the Administrative Agent or Pre-Petition Agent) seeking to terminate or reduce the Exclusivity Periods, in each case other than a motion filed by or with the consent of the Required Lenders;

(f) assert any right of subrogation or contribution against any other Obligor until all borrowings under this Agreement and the Loan Documents are paid in full and the Commitments hereunder are terminated; or

(g) challenge or fail to support, in either case directly or indirectly, the Liens in favor of the Lenders or the Administrative Agent.

SECTION 7.2.18 No Foreign Subsidiaries. No Obligor shall, nor shall it permit any of its Subsidiaries to, create, acquire or otherwise own directly or indirectly any Foreign Subsidiary, other than Southern Air GmbH.

ARTICLE VIII
EVENTS OF DEFAULT

SECTION 8.1 Listing of Events of Default. Each of the following events or occurrences described in this Article shall constitute an "Event of Default".

SECTION 8.1.1 Non-Payment of Obligations. The Borrower shall default in the payment or prepayment when due of:

(a) any principal of any Loan; or

(b) any interest on any Loan or fee described in Article III or any other monetary Obligation owed to the Lenders, and such default shall continue unremedied for a period of three days after such amount was due.

SECTION 8.1.2 Breach of Warranty. Any representation or warranty of any Obligor made or deemed to be made in any Loan Document (including any certificates delivered pursuant to Article V) is or shall be incorrect in any material respect when made or deemed to have been made.

SECTION 8.1.3 Non-Performance of Certain Covenants and Obligations. The Borrower shall default in the due performance or observance of any of its obligations under Section 6.19, clauses (a) and (f) of Section 7.1.1, Section 7.1.8, Section 7.1.14, Section 7.1.15, or Section 7.2 or any Obligor shall default in the due performance or observance of its obligations under Article IV of the Subsidiary Guaranty (with respect to the covenants set forth in Section 7.2, as such covenants apply to each Subsidiary Guarantor), Section 4.1.4 of the Security Agreement, Section 5.3 or 5.12 of the Holdings Guaranty and Pledge Agreement or any corresponding provision contained in any Mortgage.

SECTION 8.1.4 Non-Performance of Other Covenants and Obligations. Any Obligor shall default in the due performance and observance of any other agreement contained in any Loan Document executed by it, and such default shall continue unremedied for a period of ten (10) days after the earlier to occur of (a) notice thereof given to the Borrower by the Administrative Agent or any Lender or (b) the date on which any Obligor has knowledge of such default.

SECTION 8.1.5 Default on Other Indebtedness. Other than a default by a Borrower or a Guarantor the enforcement of which is stayed by virtue of the filing of the Chapter 11 Cases, a default shall occur in the payment of any amount when due (subject to any applicable grace period), whether by acceleration or otherwise, of any principal or stated amount of, or interest or fees on, any Indebtedness (other than Indebtedness described in Section 8.1.1) of the Borrower or any of its Subsidiaries or any other Obligor having a principal or stated amount, individually or in the aggregate, in excess of $200,000, or a default shall occur in the performance or observance of any obligation or condition with respect to such Indebtedness if the effect of such default is to accelerate the maturity of any such Indebtedness or such default shall continue unremedied for any applicable period of time sufficient to permit the holder or holders of such Indebtedness, or any trustee or agent for such holders, to cause or declare such Indebtedness to become due and payable or to require such Indebtedness to be prepaid, redeemed, purchased or defeased, or require an offer to purchase or defease such Indebtedness to be made, prior to its expressed maturity.

SECTION 8.1.6 Judgments. Other than a judgment by a Borrower or a Guarantor the enforcement of which is stayed by virtue of the filing of the Chapter 11 Cases, any judgment or order for the payment of money individually or in the aggregate in excess of $200,000 (exclusive of any amounts fully covered by insurance (less any applicable deductible) and as to which the insurer has acknowledged its responsibility to cover such judgment or order) shall be rendered against the Borrower or any of its Subsidiaries or any other Obligor and such judgment shall not have been vacated, discharged, stayed, satisfied or bonded pending appeal within 30 days after the entry thereof or enforcement proceedings shall have been commenced by any creditor upon such judgment or order.

SECTION 8.1.7 Pension Plans. Other than an ERISA Event the enforcement of which is stayed by virtue of the filing of the Chapter 11 Cases, any ERISA Event shall have occurred that, when taken together with all other ERISA Events, could reasonably be expect to result in a liability or obligation in excess of $200,000.

SECTION 8.1.8 Change in Control. Any Change in Control shall occur.

SECTION 8.1.9 Impairment of Security, etc. Any Loan Document or any Lien granted thereunder or under the Orders shall (except in accordance with its terms), in whole or in part, terminate, cease to be effective or cease to be the legally valid, binding and enforceable obligation of any Obligor party thereto; any Obligor or any other party shall, directly or indirectly, contest in any manner such effectiveness, validity, binding nature or enforceability; or, except as permitted under any Loan Document or the Orders any Lien securing any Obligation shall, in whole or in part, cease to be a perfected Lien with the priority described in Section 11.1.

SECTION 8.1.10 Loss of Licenses. Any loss, suspension or revocation of Southern Air's (a) certificate(s) issued under 49 U.S.C. Section 41102(a)(i) or 49 U.S.C. Section 41103, or exemptions therefrom under 49 U.S.C. Section 40109, or (b) air carrier operating certificate issued pursuant to Chapter 447 of Title 49 which is not reinstated within 5 days, unless such loss, suspension or revocation would not materially impair the ability of the Borrower, or any of its Subsidiaries, from conducting their operations as then conducted.

SECTION 8.1.11 The Chapter 11 Cases.

(a) The bringing of a motion, application or other pleading by any Obligor, or the entry of an order, pleading or ruling (which has not been withdrawn, dismissed or reversed): (A) to obtain additional financing under Section 364(c) or (d) of the Bankruptcy Code which is not otherwise permitted pursuant to this Agreement (unless such financing is proposed to refinance and pay in full in cash the Obligations with the termination of all related lending commitments thereunder); (B) to grant any Lien other than Liens permitted under Section 7.2.3 upon or affecting any Cash Collateral without the prior written consent of the Administrative Agent and the Required Lenders; or (C) except as provided in the Orders, to use Cash Collateral of the Administrative Agent or the Pre-Petition Agent under Section 363(c) of the Bankruptcy Code without the prior written consent of the Administrative Agent and the Required Lenders;

(b) (i) the filing by any Obligor of any plan of reorganization or disclosure statement attendant thereto that is not an Acceptable Plan, or any direct or indirect amendment to an Acceptable Plan or disclosure statement, that is not satisfactory to the Administrative Agent and the Required Lenders, and which is not withdrawn, dismissed or denied within 5 Business Days; or (ii) the entry of an order confirming a plan of reorganization that is not an Acceptable Plan;

(c) prior to the entry of the Final Order, the Interim Order shall (i) no longer be in full force and effect or (ii) be reversed, vacated, stayed, amended, supplemented or otherwise modified, in each case without the written consent of the Administrative Agent and the Required Lenders;

(d) the entry of an order in the Chapter 11 Cases amending, supplementing, staying, vacating, reversing or otherwise modifying the Final Order in a manner adverse to the Lenders without the written consent of the Administrative Agent and the Required Lenders;

(e) the entry of an order amending, supplementing, staying, vacating or otherwise modifying the Loan Documents without the written consent of the Administrative Agent and the Required Lenders;

(f) the entry of an order appointing an interim or permanent trustee, a receiver or an examiner in the Chapter 11 Cases with expanded powers to operate or manage the financial affairs, the business, or reorganization of such Obligor (or any Obligor seeks or acquiesces in such relief);

(g) the dismissal of the Chapter 11 Cases, or the conversion of the Chapter 11 Cases of Holdings, the Borrower or Southern Air from cases under Chapter 11 to cases under Chapter 7 of the Bankruptcy Code (except as consented to by the Administrative Agent and the Required Lenders) or any Obligor shall file a motion or other pleading seeking the dismissal of the Chapter 11 Cases of Holdings, the Borrower or Southern Air under Section 1112 of the Bankruptcy Code, conversion of such Chapter 11 Cases or otherwise;

(h) the entry of a final non-appealable order (other than the Orders and the First Day Orders with respect to Fuel Supply, Industry Agreements and Insurance) by the Bankruptcy Court granting relief from or modifying the automatic stay of Section 362 of the Bankruptcy Code to allow any creditor to proceed against any material asset or assets of any Obligor;

(i) other than the Carve-Out and except as otherwise provided by the Orders or this Agreement, the entry of an order in the Chapter 11 Cases granting any other super-priority administrative claim or Lien equal or superior to that granted to the Administrative Agent, on behalf of itself and/or the Secured Parties pursuant to this Agreement, the Loan Documents and the Orders and the Pre-Petition Agent, on behalf of itself and/or the Pre-Petition Lenders pursuant to the Pre-Petition Credit Agreement, the Pre-Petition Security Agreement and the Orders;

(j) any Obligor files a motion or does not oppose a motion filed by any party in interest seeking to achieve any of the action in clauses (e) through (j) above which is not withdrawn, dismissed or denied within 15 days after such filing;

(k) any Obligor shall pay any Pre-Petition Indebtedness other than (i) as permitted by the Orders, (ii) as otherwise permitted by this Agreement or the Approved Budget (subject to Section 7.1.15), (iii) as otherwise ordered by the Bankruptcy Court and agreed in writing by the Administrative Agent or (iv) as authorized by the Bankruptcy Court (A) in accordance with the First Day Orders or "second day" orders entered into on or prior to the Closing Date or other orders of the Bankruptcy Court entered with the consent of (or non-objection by) Administrative Agent, (B) in connection with the assumption of executory contracts and unexpired leases with the consent of (or non-objection by) Administrative Agent, or (C) in respect of accrued payroll and related expenses and employee benefits as of the date of the filing of the Chapter 11 Cases;

(l) any Debtor shall fail to comply with the terms and conditions of any Chapter 11 Order and such failure could reasonably be expected to have a Material Adverse Effect;

(m) any Obligor files a motion or does not oppose a motion filed by any party in interest seeking, or an order that is entered and permitting, the sale, without the Administrative Agent's and the Required Lenders' written consent, of all or substantially all of the assets of the Obligors pursuant to Section 363 of the Bankruptcy Code, through a confirmed plan of reorganization (other than an Acceptable Plan) in the Chapter 11 Cases, or otherwise that does not provide for payment in full in cash of the Obligations and termination of Lenders' Commitment;

(n) any Collateral becoming subject to surcharge or marshalling;

(o) subject to the Final Order, the allowance of any claim or claims under Section 506(c) of the Bankruptcy Code or otherwise against the Administrative Agent, any Lender or any of the Collateral, against the Pre-Petition Agent or any Collateral (as defined in the Pre-Petition Security Agreement), or against the rights and remedies of such parties under the Loan Documents or any Chapter 11 Order;

(p) the filing, public announcement or execution of any writing to another party-in-interest by any Obligor of its intention to file, or to support any other person's filing of any motion to disallow in whole or in part the Lenders' claim in respect of the Loan or to challenge the validity and enforceability of the liens in favor of the Administrative Agent or contest any material provision of any Loan Document;

(q) the violation of any term, provision or condition of the Orders;

(r) any default or event of default under the Section 1110 Stipulation shall have occurred and be continuing that is not waived by the parties thereto (other than the Lenders) after the expiration of any applicable grace period; or any other default or event of default under the Section 1110 Stipulation shall have occurred and be continuing that has been declared, is not waived by the parties thereto (other than the Lenders) after the expiration of any applicable grace period and the parties thereto (other than the Lenders) shall not have accelerated termination of the Section 1110 Stipulation within ten (10) days of the conclusion of any applicable grace period;

(s) termination by any party of the Support Agreement or the Section 1110 Stipulation;

(t) other than a default by a Borrower or a Guarantor the enforcement of which is stayed by virtue of the filing of the Chapter 11 Cases, (i) the occurrence of a continuing event of default under any Material Contract that shall have resulted in the right of the other parties to such Material Contract to terminate such Material Contract or exercise remedies against an Obligor, (ii) any Obligor has moved for, or the Bankruptcy Court shall have entered, an order authorizing or directing the assumption or rejection of any Material Contract or any Material Contract is rejected, terminated or materially modified, without the consent of the Required Lenders or (iii) any Obligor

has entered into any Material Contract or any material settlements, without the prior written consent of the Administrative Agent;

(u) failure to obtain any necessary regulatory or administrative approvals or consents with respect to the transactions contemplated in the Loan Documents, the Support Agreement or any related document;

(v) the loss of the 777 Leases or the loss or material limitation on the use or any ability or right to operate any of the 777 Aircraft;

(w) any holder of claims arising under the Prepetition Credit Agreement shall have foreclosed on any material assets of the Debtors or any non-Debtor Affiliates;

(x) entry by the Bankruptcy Court invalidating or disallowing, as applicable (i) the enforceability, priority, or validity of the liens securing the obligations owed under the Prepetition Credit Agreement, or (ii) the claims in respect of the Prepetition Credit Agreement;

(y) any Obligor files a motion or pleading or fails to object to any motion or pleading with the Bankruptcy Court that is not consistent in any material respect with the Support Agreement and such motion or pleading has not been withdrawn within two (2) Business Days;

(z) any court of competent jurisdiction or other competent governmental or regulatory authority issues a ruling, determination, or order making illegal or otherwise restricting, enjoining, preventing or prohibiting the consummation of the restructuring substantially on the terms set forth in the Support Agreement, including, without limitation, an order of the Bankruptcy Court denying approval of the Support Agreement or confirmation of the Plan, and such ruling, determination, or order shall not have been vacated, overturned or stayed within 30 days after the entry thereof; or

(aa) any law or order shall have been enacted, adopted or issued by any governmental entity that prohibits the implementation of the Plan or the transactions contemplated therein or by the other Plan supplements, and such law or order shall not have been vacated, overturned or stayed within 30 days after the entry thereof;

then, and in every such event, and at any time thereafter during the continuance of such event, the Administrative Agent may, and at the request of the Required Lenders shall, notwithstanding the provisions of Section 362 of the Bankruptcy Code, without any application, motion or notice to, hearing before, or order from, the Bankruptcy Court, by notice to Borrower and subject to the terms of the Orders, take any of the following actions, at the same or different times: (i) terminate forthwith the Commitment; (ii) declare the Loans then outstanding to be forthwith due and payable in whole or in part, whereupon the principal of the Loans so declared to be due and payable, together with accrued interest thereon and any unpaid accrued fees and all other Obligations of the Borrower accrued hereunder and under any other Loan Document, shall become forthwith due and payable, without presentment, demand, protest or any other notice of any kind, all of which are hereby expressly waived by the Borrower and the Guarantors, anything contained herein or in any other Loan Document to the contrary notwithstanding and in

any event, the Commitments shall automatically terminate and the principal of the Loans then outstanding, together with accrued interest thereon and any unpaid accrued fees and all other Obligations of the Borrower accrued hereunder and under any other Loan Document, shall automatically become due and payable, without presentment, demand, protest or any other notice of any kind, all of which are hereby expressly waived by the Borrower and the Guarantors, anything contained herein or in any other Loan Document to the contrary notwithstanding; (iii) enter onto the premises of any Obligor in connection with an orderly liquidation of the Collateral; or (iv) exercise any rights and remedies provided to the Administrative Agent under this Agreement, the other Loan Documents, the Orders or applicable law, including all remedies provided under the Bankruptcy Code and, pursuant to the Interim Order and the Final Order, the automatic stay of Section 362 of the Bankruptcy Code shall be modified and vacated to permit the Administrative Agent and the Lenders to exercise their remedies under this Agreement, the Loan Documents and the Orders without further notice, application or motion to, hearing before, or order from, the Bankruptcy Court.

SECTION 8.2 Remedies.

(a) At any time an Event of Default exists or has occurred and is continuing, the Administrative Agent and the Lenders shall have all rights and remedies provided in this Agreement, the other Loan Documents, the Orders, the Bankruptcy Code, the UCC and other applicable law, all of which rights and remedies may be exercised without notice to or consent by the Borrower and without further order of or application to the Bankruptcy Court, except as such notice or consent is expressly provided for hereunder, under the Orders or required by applicable law; provided, however, that prior to the first enforcement of any liens or other remedies with respect to the Collateral (but not any enforcement action taken thereafter), the Administrative Agent or the Lenders shall provide to the Borrower (with copies to the Committee) five (5) Business Days' prior written notice; provided further, however, that, upon receipt of any such notice, Borrower may only make distributions with respect to the Carve-Out or as consented to by the Required Lenders, but may not make any other disbursements; provided further, however, that, in any hearing after the giving of such notice, the only issue that may be raised by any party in opposition thereto shall be whether, in fact, an Event of Default has occurred and is continuing. All rights, remedies and powers granted to the Administrative Agent and the Lenders hereunder, under any of the other Loan Documents, the Orders, the Bankruptcy Code, the UCC or other applicable law, are cumulative, not exclusive and enforceable, in the Administrative Agent's discretion, alternatively, successively, or concurrently on any one or more occasions, and shall include, without limitation, the right to apply to a court of equity for an injunction to restrain a breach or threatened breach by the Borrower of this Agreement or any of the other Loan Documents. Subject to Article IX hereof and the notice provisions described in the proviso to the first sentence of this clause (a), the Administrative Agent may, and at the direction of the Required Lenders shall, at any time or times, proceed directly against the Borrower to collect the Obligations without prior recourse to the Collateral.

(b) For the purpose of enabling the Administrative Agent to exercise the rights and remedies hereunder, each Obligor hereby grants to the Administrative Agent, to the extent assignable, an irrevocable, non-exclusive license (exercisable at any time an Event of Default shall exist or have occurred and for so long as the same is continuing but subject to the notice provisions in clause (a) above) without payment of royalty or other compensation to such

Obligor, to use, assign, license or sublicense any of the trademarks, service-marks, trade names, business names, trade styles, designs, logos and other source of business identifiers and other intellectual property and general intangibles now owned or hereafter acquired by such Obligor, wherever the same may be located, including in such license reasonable access to all media in which any of the licensed items may be recorded or stored and to all computer programs used for the compilation or printout thereof.

(c) At any time an Event of Default exists or has occurred and is continuing, and without further authorization of the Bankruptcy Court, but subject to the notice provisions in clause (a) above, the Administrative Agent, after receiving instructions from Required Lenders, may apply the cash proceeds of Collateral actually received by the Administrative Agent from any sale, lease, foreclosure or other disposition of the Collateral to payment of the Obligations, in whole or in part and in accordance with the terms hereof, whether or not then due or may hold such proceeds as Cash Collateral for the Obligations. Each Obligor shall remain liable to the Administrative Agent and Lenders for the payment of any deficiency with interest at the highest rate provided for herein and all costs and expenses of collection or enforcement, including attorneys' fees and expenses.

(d) Without limiting the foregoing, upon the occurrence of an Event of Default, the Administrative Agent (at the direction of the Required Lenders) shall, without notice, (i) refuse to make a Loan and/or (ii) terminate any provision of this Agreement providing for any future Loans to be made by the Administrative Agent and Lenders to Borrower.

In addition, the automatic stay provided in section 362 of the Bankruptcy Code shall, as provided in the Interim Order or the Final Order, as the case may be, be deemed automatically vacated without further action or order of the Bankruptcy Court and the Administrative Agent and the Lenders shall be entitled to exercise all of their respective rights and remedies with respect to the Collateral (including all rights and remedies specified hereunder and under the UCC). In addition to the remedies set forth above, the Administrative Agent may exercise any other remedies provided for by the Loan Documents and the Orders in accordance with the terms hereof and thereof or any other remedies provided by applicable law.

ARTICLE IX
THE ADMINISTRATIVE AGENT

SECTION 9.1 Actions. Each Lender hereby appoints CIBC as its Administrative Agent under and for purposes of each Loan Document. Each Lender authorizes the Administrative Agent to act on behalf of such Lender under each Loan Document and, in the absence of other written instructions from the Required Lenders received from time to time by the Administrative Agent (with respect to which the Administrative Agent agrees that it will comply, except as otherwise provided in this Section or as otherwise advised by counsel in order to avoid contravention of applicable law), to exercise such powers hereunder and thereunder as are specifically delegated to or required of the Administrative Agent by the terms hereof and thereof, together with such powers as may be incidental thereto (including the release of Liens on assets Disposed of in accordance with the terms of the Loan Documents). Each Lender hereby indemnifies (which indemnity shall survive any termination of this Agreement) the Administrative Agent, pro rata according to such Lender's proportionate Total Exposure

Amount, from and against any and all liabilities, obligations, losses, damages, claims, costs or expenses of any kind or nature whatsoever which may at any time be imposed on, incurred by, or asserted against, the Administrative Agent in any way relating to or arising out of any Loan Document (including attorneys' fees), and as to which the Administrative Agent is not reimbursed by the Borrower; provided that no Lender shall be liable for the payment of any portion of such liabilities, obligations, losses, damages, claims, costs or expenses which are determined by a court of competent jurisdiction in a final proceeding to have resulted from the Administrative Agent's gross negligence or willful misconduct; provided further that each Lender shall be severally liable for the entire portion of any indemnity to the Administrative Agent pursuant to this sentence that relates to (i) any Indemnified Taxes attributable to such Lender (ii) any Taxes attributable to such Lender's failure to comply with the provisions of clause (g) of Section 10.11 relating to the maintenance of a register of Participants and (iii) any Taxes other than Non-Excluded Taxes attributable to such Lender, in each case, that are payable or paid by the Administrative Agent in connection with any Loan Document, and any reasonable expenses arising therefrom or with respect thereto, whether or not such Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. The Administrative Agent shall not be required to take any action under any Loan Document, or to prosecute or defend any suit in respect of any Loan Document, unless it is indemnified hereunder to its satisfaction. If any indemnity in favor of the Administrative Agent shall be or become, in the Administrative Agent's determination, inadequate, the Administrative Agent may call for additional indemnification from the Lenders and cease to do the acts indemnified against hereunder until such additional indemnity is given. The Administrative Agent shall not have any duty to take any discretionary action or exercise any discretionary powers, except discretionary rights and powers expressly contemplated hereby or by the other Loan Documents that the Administrative Agent is required to exercise as directed in writing by the Required Lenders (or such other number or percentage of the Lenders as shall be expressly provided for herein or in the other Loan Documents); provided that the Administrative Agent shall not be required to take any action that, in its opinion or the opinion of its counsel, may expose the Administrative Agent to liability or that is contrary to any Loan Document or applicable law, including for the avoidance of doubt any action that may be in violation of the automatic stay under any Debtor Relief Law or that may effect a forfeiture, modification or termination of property of a Defaulting Lender in violation of any Debtor Relief Law. Without limiting the generality of the foregoing, each Lender hereby authorizes the Administrative Agent to consent, on behalf of each Lender, to the Interim Order and the Final Order.

SECTION 9.2 Funding Reliance, etc. Unless the Administrative Agent shall have been notified in writing by any Lender by 3:00 p.m. New York City time on the Business Day prior to a Borrowing that such Lender will not make available the amount which would constitute its Percentage of such Borrowing on the date specified therefor, the Administrative Agent may assume that such Lender has made such amount available to the Administrative Agent and, in reliance upon such assumption, make available to the Borrower a corresponding amount. If and to the extent that such Lender shall not have made such amount available to the Administrative Agent, such Lender and the Borrower severally agree to repay the Administrative Agent forthwith on demand such corresponding amount together with interest thereon, for each day from the date the Administrative Agent made such amount available to the Borrower to the date such amount is repaid to the Administrative Agent, at the interest rate applicable at the time to Loans comprising such Borrowing (in the case of the Borrower) and (in the case of a Lender),

at the Federal Funds Rate (for the first two Business Days after which such amount has not been repaid), and thereafter at the interest rate applicable to Loans comprising such Borrowing.

SECTION 9.3 Exculpation. Neither the Administrative Agent nor any of its directors, officers, employees or agents shall be liable to any Secured Party for any action taken or omitted to be taken by it under any Loan Document, or in connection therewith, except for its own willful misconduct or gross negligence, nor responsible for any recitals or warranties herein or therein, nor for the effectiveness, enforceability, validity or due execution of any Loan Document, nor for the creation, perfection or priority of any Liens purported to be created by any of the Loan Documents, or the validity, genuineness, enforceability, existence, value or sufficiency of any collateral security, nor to make any inquiry respecting the performance by any Obligor of its Obligations. Any such inquiry which may be made by the Administrative Agent shall not obligate it to make any further inquiry or to take any action. The Administrative Agent shall be entitled to rely upon advice of counsel concerning legal matters and upon any notice, consent, certificate, statement or writing which the Administrative Agent believes to be genuine and to have been presented by a proper Person.

SECTION 9.4 Successor.

(a) The Administrative Agent may resign upon prior notice to the Borrower and all Lenders at any time such resigning Administrative Agent determines such resignation necessary or advisable because of legal or regulatory restrictions or requirements. If the Administrative Agent at any time shall resign, the Required Lenders may appoint another Lender as a successor Administrative Agent which shall thereupon become the Administrative Agent hereunder. If no successor Administrative Agent shall have been so appointed by the Required Lenders, and shall have accepted such appointment, then the resigning Administrative Agent shall (x) use commercially reasonable efforts to appoint, on behalf of the Lenders, a successor Administrative Agent, which shall be one of the Lenders or a commercial banking institution organized under the laws of the United States (or any State thereof) or a United States branch or agency of a commercial banking institution, and having a combined capital and surplus of at least $250,000,000 and (y) shall remain as Administrative Agent for a commercially reasonable period of time until such successor Administrative Agent replaces the Administrative Agent; provided that if such retiring Administrative Agent is unable to find a commercial banking institution or financial institution which is willing to accept such appointment and which meets the qualifications set forth above within such time period, the retiring Administrative Agent's resignation shall nevertheless thereupon become effective (such date, the "Resignation Effective Date").

(b) If the Person serving as Administrative Agent is a Defaulting Lender pursuant to clause (d) of the definition thereof, the Required Lenders may, to the extent permitted by applicable law, by notice in writing to the Borrower and such Person remove such Person as Administrative Agent and, in consultation with the Borrower, appoint a successor. If no such successor shall have been so appointed by the Required Lenders and shall have accepted such appointment within 30 days (or such earlier day as shall be agreed by the Required Lenders) (the "Removal Effective Date"), then such removal shall nonetheless become effective in accordance with such notice on the Removal Effective Date.

(c) With effect from the Resignation Effective Date or the Removal Effective Date (as applicable), the Lenders shall assume and perform all of the duties of the Administrative Agent hereunder until such time, if any, as the Required Lenders appoint a successor as provided for above.

(d) Upon the acceptance of any appointment as Administrative Agent hereunder by a successor Administrative Agent, such successor Administrative Agent shall be entitled to receive from the retiring Administrative Agent such documents of transfer and assignment as such successor Administrative Agent may reasonably request, and shall thereupon succeed to and become vested with all rights, powers, privileges and duties of the retiring Administrative Agent, and the retiring Administrative Agent shall be discharged from its duties and obligations under the Loan Documents. After any retiring Administrative Agent's resignation or removal hereunder as the Administrative Agent, the provisions of this Article shall inure to its benefit as to any actions taken or omitted to be taken by it while it was the Administrative Agent under the Loan Documents, and Section 10.3 and Section 10.4 shall continue to inure to its benefit.

SECTION 9.5 Loans by CIBC. CIBC shall have the same rights and powers with respect to (x) the Credit Extensions made by it or any of its Affiliates, and (y) the Notes held by it or any of its Affiliates as any other Lender and may exercise the same as if it were not the Administrative Agent. CIBC and its Affiliates may accept deposits from, lend money to, and generally engage in any kind of business with the Borrower or any Subsidiary or Affiliate of the Borrower as if CIBC were not the Administrative Agent hereunder.

SECTION 9.6 Credit Decisions. Each Lender acknowledges that it has, independently of the Administrative Agent and each other Lender, and based on such Lender's review of the financial information of the Borrower, the Loan Documents (the terms and provisions of which being satisfactory to such Lender) and such other documents, information and investigations as such Lender has deemed appropriate, made its own credit decision to extend its Commitments. Each Lender also acknowledges that it will, independently of the Administrative Agent and each other Lender, and based on such other documents, information and investigations as it shall deem appropriate at any time, continue to make its own credit decisions as to exercising or not exercising from time to time any rights and privileges available to it under the Loan Documents.

SECTION 9.7 Copies, etc. The Administrative Agent shall give prompt notice to each Lender of each notice or request required or permitted to be given to the Administrative Agent by the Borrower pursuant to the terms of the Loan Documents (unless concurrently delivered to the Lenders by the Borrower). The Administrative Agent will distribute to each Lender each document or instrument received for its account and copies of all other communications received by the Administrative Agent from the Borrower for distribution to the Lenders by the Administrative Agent in accordance with the terms of the Loan Documents.

SECTION 9.8 Reliance by Administrative Agent. The Administrative Agent shall be entitled to rely upon any certification, notice or other communication (including any thereof by telephone, telecopy, telegram or cable) reasonably believed by it to be genuine and correct and to have been signed or sent by or on behalf of the proper Person, and upon advice and statements of legal counsel, independent accountants and other experts reasonably selected by the

Administrative Agent. As to any matters not expressly provided for by the Loan Documents, the Administrative Agent shall in all cases be fully protected in acting, or in refraining from acting, thereunder in accordance with instructions given by the Required Lenders or all of the Lenders as is required in such circumstance, and such instructions of such Lenders and any action taken or failure to act pursuant thereto shall be binding on all Secured Parties. For purposes of applying amounts in accordance with this Section, the Administrative Agent shall be entitled to rely upon Oak Hill for a determination (which such Secured Party agrees to provide or cause to be provided upon request of the Administrative Agent) of the outstanding Obligations owed to such Secured Party under the Secured OHAA Payment Obligations.

SECTION 9.9 Defaults. The Administrative Agent shall not be deemed to have knowledge or notice of the occurrence of a Default unless the Administrative Agent has received a written notice from a Lender or the Borrower specifying such Default and stating that such notice is a "Notice of Default". In the event that the Administrative Agent receives such a notice of the occurrence of a Default, the Administrative Agent shall give prompt notice thereof to the Lenders. The Administrative Agent shall (subject to Section 10.1) take such action with respect to such Default as shall be directed by the Required Lenders; provided that unless and until the Administrative Agent shall have received such directions, the Administrative Agent may (but shall not be obligated to) take such action, or refrain from taking such action, with respect to such Default as it shall deem advisable in the best interest of the Secured Parties except to the extent that this Agreement expressly requires that such action be taken, or not be taken, only with the consent or upon the authorization of the Required Lenders or all Lenders.

SECTION 9.10 Withholding Taxes. To the extent required by any applicable law, the Administrative Agent may withhold from any payment to any Lender an amount equivalent to any applicable withholding tax. If the Internal Revenue Service or any other Governmental Authority asserts a claim that the Administrative Agent did not properly withhold tax from amounts paid to or for the account of any Lender because the appropriate form was not delivered or was not properly executed or because such Lender failed to notify the Administrative Agent of a change in circumstance which rendered the exemption from, or reduction of, withholding tax ineffective or for any other reason, such Lender shall indemnify the Administrative Agent fully for all amounts paid, directly or indirectly, by the Administrative Agent as tax or otherwise, including any penalties or interest and together with all expenses (including legal expenses, allocated internal costs and out-of-pocket expenses) incurred.

ARTICLE X
ADDITIONAL PROVISIONS

SECTION 10.1 Waivers, Amendments, etc. The provisions of each Loan Document may from time to time be amended, modified or waived, if such amendment, modification or waiver is in writing and consented to by the Borrower and the Required Lenders; provided that no other such amendment, modification or waiver shall:

(a) modify clause (b) of Section 4.7, Section 4.8 (as it relates to sharing of payments) or this Section, in each case, without the consent of each Lender directly affected thereby;

(b) increase the aggregate amount of any Credit Extensions required to be made by a Lender pursuant to its Commitments (it being understood that a waiver of an Event of Default, the waiver of any condition precedent to the making of a Credit Extension, mandatory prepayments or mandatory reduction of the Commitments shall not constitute an increase of any Commitment of any Lender), extend the final Stated Maturity Date for any Lender's Loan, in each case without the consent of such Lender directly affected thereby (it being agreed, however, that any vote to rescind any acceleration made pursuant to Section 8.2 of amounts owing with respect to the Loans and other Obligations owed to the Lenders shall only require the vote of the Required Lenders);

(c) reduce (by way of forgiveness) the principal amount of or reduce the rate of interest on any Lender's Loan, reduce any fees described in Article III payable to any Lender, waive payment Defaults, or extend the scheduled date on which principal, interest or fees are payable in respect of such Lender's Loans, in each case without the consent of such Lender directly affected thereby; provided that the vote of Required Lenders shall be sufficient to waive the payment, or reduce the increased portion, of interest accruing under Section 3.2.2;

(d) reduce the percentage set forth in the definition of "Required Lenders" or modify any requirement hereunder that any particular action be taken by all Lenders without the consent of each Lender directly affected thereby;

(e) except as otherwise expressly provided in a Loan Document, release (i) the Borrower from its Obligations owed to the Lenders or any Guarantor from its obligations under a Subsidiary Guaranty or the Holdings Guaranty and Pledge Agreement, as applicable, or (ii) all or substantially all of the collateral under the Loan Documents, in each case without the consent of each Lender directly affected thereby;

(f) affect adversely the interests, rights or obligations of the Administrative Agent (in its capacity as the Administrative Agent), unless consented to by the Administrative Agent;

(g) modify clause (b) of Section 3.1.2, without the consent of each Lender directly affected thereby;

(h) waive an Event of Default under Section 8.1.1, without the consent of each Lender directly affected thereby; or

(i) (i) amend, modify or supplement (or have the effect of amending, modifying or supplementing) (A) the definitions of "Obligations", "OHAA", "Oak Hill", "Secured OHAA Payment Obligations", "Secured Parties", "Section 1110 Stipulation" or "Termination Date"; (B) Sections 3.1.1(d) (*Repayments and Prepayments*), 3.1.2(c) (*Application*), or 4.7(b) (*Payments, Computations; Proceeds of Collateral, etc.*) in each case to the extent relating to the Secured OHAA Payment Obligations; (C) any provisions of Section 7.2.9 (Permitted Dispositions), or any related definitions, in any manner if the effect of such amendment, modification or supplement

is to make such covenant less restrictive, (D) any provisions of Article XI (*Grant and Perfection of Security Interest; Priority of Liens*) or any related definitions, or any other provision of any Loan Document if the effect of such amendment, modification or supplement is to subordinate, prime or otherwise directly and adversely affect the priority, status or enforceability of the superpriority claims on account of, or the liens securing, the Secured OHAA Payment Obligations; or (E) this Section 10.01(i) (*Waivers, Amendments, etc.*); or (ii) except as expressly provided in a Loan Document as in effect on the date hereof, release (a) the Borrower from its Obligations owed to Oak Hill or any Guarantor from its obligations under a Subsidiary Guaranty or the Holdings Guaranty and Pledge Agreement, as applicable, or (b) all or substantially all of the Collateral under the Loan Documents, in each case without the prior written consent of Oak Hill;

provided further that Administrative Agent may, with the consent of the Borrower only, amend, modify or supplement this Agreement or any other Loan Document to cure any ambiguity, omission, defect or inconsistency (as reasonably determined by Administrative Agent), so long as such amendment, modification or supplement does not adversely affect the rights of any Lender or Oak Hill or the Lenders and Oak Hill shall have received at least five Business Days' prior written notice thereof and Administrative Agent shall not have received, within five Business Days of the date of such notice to the Lenders, a written notice from the Required Lenders stating that the Required Lenders object to such amendment.

No failure or delay on the part of any Secured Party in exercising any power or right under any Loan Document shall operate as a waiver thereof, nor shall any single or partial exercise of any such power or right preclude any other or further exercise thereof or the exercise of any other power or right. No notice to or demand on any Obligor in any case shall entitle it to any notice or demand in similar or other circumstances. No waiver or approval by any Secured Party under any Loan Document shall, except as may be otherwise stated in such waiver or approval, be applicable to subsequent transactions. No waiver or approval hereunder shall require any similar or dissimilar waiver or approval thereafter to be granted hereunder.

SECTION 10.2 Notices; Time. All notices and other communications provided under each Loan Document shall be in writing or by facsimile and addressed, delivered or transmitted, if to the Borrower or the Administrative Agent, to the applicable Person at its address or facsimile number set forth on Schedule II hereto, or, in the case of any Lender, as set forth in such Lender's Administrative Questionnaire, or in the case of Oak Hill in its capacity as a Secured Party, to the address set forth in the Section 1110 Stipulation, or at such other address or facsimile number as may be designated by such party in a notice to the other parties. Any notice, if mailed and properly addressed with postage prepaid or if properly addressed and sent by pre-paid courier service, shall be deemed given when received; any notice, if transmitted by facsimile, shall be deemed given when the confirmation of transmission thereof is received by the transmitter. Electronic mail and Internet and intranet websites may be used only to distribute routine communications by the Administrative Agent to the Lenders, such as financial statements and other information as provided in Section 7.1.1 and for the distribution and execution of Loan Documents for execution by the parties thereto, and the use thereof for any other purpose shall not constitute effective notice under this Agreement or the other Loan Documents. The parties hereto agree that delivery of an executed counterpart of a signature page to this Agreement and

each other Loan Document by facsimile (or electronic transmission) shall be effective as delivery of an original executed counterpart of this Agreement or such other Loan Document. Unless otherwise indicated, all references to the time of a day in a Loan Document shall refer to New York time.

SECTION 10.3 Payment of Costs and Expenses. The Borrower agrees to pay on demand all expenses of the Administrative Agent and each Lender (including the fees and out-of-pocket expenses of Milbank, Tweed, Hadley & McCloy LLP, counsel to the Administrative Agent, and of Department of Transportation counsel, Federal Aviation Administration counsel and local counsel, if any, who may be retained by or on behalf of the Administrative Agent in connection with any restructuring, including the Chapter 11 Cases) in connection with

(a) the negotiation, preparation, execution and delivery of each Loan Document, including schedules and exhibits, and any amendments, waivers, consents, supplements or other modifications to any Loan Document as may from time to time hereafter be required, whether or not the transactions contemplated hereby or thereby are consummated;

(b) the filing or recording of any Loan Document (including the Filing Statements) and all amendments, supplements, amendment and restatements and other modifications to any thereof, searches made following the Closing Date in jurisdictions where Filing Statements (or other documents evidencing Liens in favor of the Secured Parties) have been recorded and any and all other documents or instruments of further assurance required to be filed or recorded by the terms of any Loan Document; and

(c) the preparation and review of the form of any document or instrument relevant to any Loan Document.

The Borrower further agrees to pay, and to save each Secured Party harmless from all liability for, any stamp or Other Taxes or notarial fees which may be payable in connection with the execution or delivery of each Loan Document, the Credit Extensions or the issuance of the Notes. The Borrower also agrees to reimburse the Administrative Agent and the Lenders upon demand for all out-of-pocket expenses (including attorneys' fees and legal expenses of counsel to the Administrative Agent and the Lenders) incurred by the Administrative Agent and the Lenders in connection with (x) the negotiation of any restructuring or "work-out" with the Borrower, whether or not consummated, of any Obligations owed to the Lenders and (y) the enforcement of any Obligations owed to the Lenders.

SECTION 10.4 Indemnification. In consideration of the execution and delivery of this Agreement by each Lender, the Borrower hereby indemnifies, exonerates and holds each Lender and each of their respective officers, partners, trustees, members, shareholders, directors, employees, agents and Affiliates (collectively, the "Indemnified Parties") free and harmless from and against any and all actions, causes of action, suits, losses, claims, costs, liabilities and damages, and expenses incurred in connection therewith (irrespective of whether any such Indemnified Party is a party to the action for which indemnification hereunder is sought), including attorneys' fees and disbursements, whether incurred in connection with actions

between or among the parties hereto or the parties hereto and third parties (collectively, the "Indemnified Liabilities"), incurred by the Indemnified Parties or any of them as a result of, or arising out of, or relating to

(a) any transaction financed or to be financed in whole or in part, directly or indirectly, with the proceeds of any Credit Extension, including all Indemnified Liabilities arising in connection with the transactions contemplated hereby;

(b) the entering into and performance of any Loan Document by any of the Indemnified Parties (including any action brought by or on behalf of the Borrower as the result of any determination by the Required Lenders pursuant to Article V not to fund any Credit Extension; provided that any such action is resolved in favor of such Indemnified Party);

(c) any investigation, litigation or proceeding related to any acquisition or proposed acquisition by any Obligor or any Subsidiary thereof of all or any portion of the Capital Securities or assets of any Person, whether or not an Indemnified Party is party thereto;

(d) any investigation, litigation or proceeding related to any environmental cleanup, audit, compliance or other matter relating to the protection of the environment or the Release by any Obligor or any Subsidiary thereof of any Hazardous Material;

(e) the presence on or under, or the escape, seepage, leakage, spillage, discharge, emission, discharging or releases from, any real property owned or operated by any Obligor or any Subsidiary thereof of any Hazardous Material (including any losses, liabilities, damages, injuries, costs, expenses or claims asserted or arising under any Environmental Law), regardless of whether caused by, or within the control of, such Obligor or Subsidiary; or

(f) each Lender's Environmental Liability (the indemnification herein shall survive repayment of the Obligations and any transfer of the property of any Obligor or its Subsidiaries by foreclosure or by a deed in lieu of foreclosure for any Lender's Environmental Liability, regardless of whether caused by, or within the control of, such Obligor or such Subsidiary);

except for Indemnified Liabilities determined in a final judgment by a court of competent jurisdiction as (i) arising for the account of a particular Indemnified Party primarily by reason of the relevant Indemnified Party's gross negligence or willful misconduct, or (ii) with respect to clauses (d), (e) and (f), having been caused solely by the affirmative action of a particular Indemnified Party, or a party to which such Indemnified Party has transferred or leased the property, as an owner or operator of property transferred through foreclosure or a deed in lieu of foreclosure. Each Obligor and its successors and assigns hereby waive, release and agree not to make any claim or bring any cost recovery action against, any Indemnified Party under CERCLA or any state equivalent, or any similar law now existing or hereafter enacted. It is expressly understood and agreed that except as otherwise provided herein, to the extent that any Indemnified Party is strictly liable under any Environmental Laws, each Obligor's obligation to

such Indemnified Party under this indemnity shall likewise be without regard to fault on the part of any Obligor with respect to the violation or condition which results in liability of an Indemnified Party. If and to the extent that the foregoing undertaking may be unenforceable for any reason, each Obligor agrees to make the maximum contribution to the payment and satisfaction of each of the Indemnified Liabilities which is permissible under applicable law. This Section 10.4 shall not apply to Taxes, which shall be governed exclusively by Section 4.6.

To the extent permitted by applicable law, no Obligor shall assert, and each Obligor hereby waives, any claim against each Lender, the Administrative Agent and their respective Affiliates, directors, employees, attorneys, agents or sub-agents, on any theory of liability, for special, indirect, consequential or punitive damages (as opposed to direct or actual damages) (whether or not the claim therefor is based on contract, tort or duty imposed by any applicable legal requirement) arising out of, in connection with, as a result of, or in any way related to, this Agreement or any Loan Document or any agreement or instrument contemplated hereby or thereby or referred to herein or therein, the transactions contemplated hereby or thereby, any Loan or the use of the proceeds thereof or any act or omission or event occurring in connection therewith, and the Borrower hereby waives, releases and agrees not to sue upon any such claim or any such damages, whether or not accrued and whether or not known or suspected to exist in its favor

SECTION 10.5 Survival. The obligations of the Borrower under Sections 4.3, 4.4, 4.5, 4.6, 10.3 and 10.4, and the obligations of the Lenders under Sections 4.6, 9.1 and 10.16, shall in each case survive any assignment from one Lender to another (in the case of Sections 10.3 and 10.4) and the occurrence of the Termination Date. The representations and warranties made by each Obligor in each Loan Document shall survive the execution and delivery of such Loan Document.

SECTION 10.6 Severability. Any provision of any Loan Document which is prohibited or unenforceable in any jurisdiction shall, as to such provision and such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions of such Loan Document or affecting the validity or enforceability of such provision in any other jurisdiction.

SECTION 10.7 Headings. The various headings of each Loan Document are inserted for convenience only and shall not affect the meaning or interpretation of such Loan Document or any provisions thereof.

SECTION 10.8 Execution in Counterparts, Lender Addendums, Effectiveness, etc. This Agreement may be executed by the parties hereto in several counterparts, each of which shall be an original and all of which shall constitute together but one and the same agreement. By executing a Lender Addendum, a Person (other than the Administrative Agent and the Borrower) (a) becomes a "Lender" under this Agreement with the same force and effect as if it were an original signatory hereto, (b) shall be bound by and comply with all of the terms and provisions of this Agreement applicable to it as a "Lender", (c) shall benefit from all of the rights and remedies of a "Lender" under this Agreement and the other Loan Documents and (d) shall have the Commitments as of the Closing Date set forth in Schedule 1 to such Lender Addendum. This Agreement shall become effective when counterparts hereof executed on behalf of the Borrower, the Administrative Agent and each Lender shall have been received by the Administrative Agent.

SECTION 10.9 Governing Law; Entire Agreement. EACH LOAN DOCUMENT WILL EACH BE DEEMED TO BE A CONTRACT MADE UNDER AND GOVERNED BY THE INTERNAL LAWS OF THE STATE OF NEW YORK (INCLUDING FOR SUCH PURPOSE SECTIONS 5-1401 AND 5-1402 OF THE GENERAL OBLIGATIONS LAW OF THE STATE OF NEW YORK) AND, TO THE EXTENT APPLICABLE, THE BANKRUPTCY CODE, EXCEPT TO THE EXTENT THAT THE PERFECTION, EFFECT OF PERFECTION OR NONPERFECTION, AND PRIORITY OF A SECURITY INTEREST UNDER ANY LOAN DOCUMENT, OR REMEDIES UNDER ANY LOAN DOCUMENT, IN RESPECT OF ANY PARTICULAR COLLATERAL ARE GOVERNED BY THE LAWS OF A JURISDICTION OTHER THAN THE STATE OF NEW YORK. The Loan Documents constitute the entire understanding among the parties hereto with respect to the subject matter thereof and supersede any prior agreements, written or oral, with respect thereto (other than any agreement referenced in Section 3.3).

SECTION 10.10 Successors and Assigns. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and permitted assigns; provided that the Borrower may not assign or transfer its rights or obligations hereunder without the consent of all Lenders.

SECTION 10.11 Sale and Transfer of Credit Extensions; Participations in Credit Extensions; Notes. Each Lender may assign, or sell participations in, its Loans and Commitments to one or more other Persons in accordance with the terms set forth below.

(a) Subject to clause (b), any Lender may assign to one or more Eligible Assignees all or a portion of its rights and obligations under the Loan Documents (including all or a portion of its Commitments and the Loans at the time owing to it); provided that

(i) except in the case of (A) an assignment of the entire remaining amount of the assigning Lender's Commitments and the Loans at the time owing to it, or (B) an assignment to a Lender, an Affiliate of a Lender or an Approved Fund with respect to a Lender, the aggregate amount of the Commitments (which for this purpose includes Loans outstanding thereunder) or principal outstanding balance of the Loans of the assigning Lender subject to each such assignment (determined as of the date the Lender Assignment Agreement with respect to such assignment is delivered to the

Administrative Agent) shall not be less than $1,000,000, unless the Administrative Agent otherwise consents (such consent not to be unreasonably withheld or delayed);

(ii) for the avoidance of doubt, each assignment shall cover the same percentage of such Lender's Closing Date Term Loans, Final Order Term Loans and Roll-Up Loans;

(iii) each partial assignment shall be made as an assignment of a proportionate part of all the assigning Lender's rights and obligations under this Agreement with respect to the Loans and the Commitments assigned; and

(iv) the parties to each assignment shall execute and deliver to the Administrative Agent a Lender Assignment Agreement, together with a processing and recordation fee of $3,500 (except in the case of an assignment to an Affiliate of the assigning Lender or an Approved Fund of an assigning Lender, the processing and recordation fee shall be $500) and if the Eligible Assignee is not already a Lender, an Administrative Questionnaire and original applicable tax forms.

(b) Any assignment proposed pursuant to clause (a) to any Person (other than a Lender, an Affiliate of a Lender or an Approved Fund) shall be subject to the prior written approval of the Administrative Agent (not to be unreasonably withheld).

(c) Subject to acceptance and recording thereof by the Administrative Agent pursuant to clause (d), from and after the effective date specified in each Lender Assignment Agreement, (i) the Eligible Assignee thereunder shall (if not already a Lender) be a party hereto and, to the extent of the interest assigned under such Lender Assignment Agreement, have the rights and obligations of a Lender under the Loan Documents, and (ii) the assigning Lender thereunder shall (subject to Section 10.5) be released from its obligations under the Loan Documents, to the extent of the interest assigned under such Lender Assignment Agreement (and, in the case of a Lender Assignment Agreement covering all of the assigning Lender's rights and obligations under the Loan Documents, such Lender shall cease to be a party hereto, but shall (as to matters arising prior to the effectiveness of the Lender Assignment Agreement) continue to be entitled to the benefits of any provisions of the Loan Documents which by their terms survive the termination of this Agreement); provided, that except to the extent otherwise expressly agreed by the affected parties, no assignment by a Defaulting Lender will constitute a waiver or release of any claim of any party hereunder arising from that Lender's having been a Defaulting Lender. Any assignment or transfer by a Lender of rights or obligations under this Agreement that does not comply with the terms of this Section shall be treated for purposes of the Loan Documents as a sale by such Lender of a participation in such rights and obligations in accordance with clause (e).

(d) The Administrative Agent shall record each assignment made in accordance with this Section in the Register pursuant to clause (a) of Section 2.5. The Register shall be available for inspection by the Borrower, at any reasonable time upon reasonable prior notice to the Administrative Agent.

(e) Any Lender may, without the consent of, or notice to, any Person, sell participations to one or more Persons (other than individuals, the Borrower, any Competitor or any other Person taking direction from, or working in concert with, the Borrower, any of the Borrower's Affiliates or any Competitor) (a "Participant") in all or a portion of such Lender's rights or obligations under the Loan Documents (including all or a portion of its Commitments or the Loans owing to it); provided that (i) such Lender's obligations under the Loan Documents shall remain unchanged, (ii) such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations and (iii) the Borrower, the Administrative Agent and the other Lenders shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under the Loan Documents. Any agreement or instrument pursuant to which a Lender sells a participation shall provide that such Lender shall retain the sole right to enforce the rights and remedies of a Lender under the Loan Documents and to approve any amendment, modification or waiver of any provision of the Loan Documents; provided that such agreement or instrument may provide that such Lender will not, without the consent of the Participant, take any action of the type described in clauses (a) through (d) or clause (f) of Section 10.1 with respect to Obligations participated in by that Participant. Subject to clause (f), the Borrower agrees that each Participant shall be entitled to the benefits of Sections 4.3, 4.4, 4.5, 4.6, 7.1.1, 10.3 and 10.4 to the same extent as if it were a Lender and had acquired its interest by assignment pursuant to clause (c). To the extent permitted by law, each Participant also shall be entitled to the benefits of Section 4.9 as though it were a Lender, but only if such Participant agrees to be subject to Section 4.8 as though it were a Lender.

(f) A Participant shall not be entitled to receive any greater payment under Section 4.3, 4.4, 4.5, 4.6, 10.3 or 10.4 than the applicable Lender would have been entitled to receive with respect to the participation sold to such Participant, unless the sale of the participation to such Participant is made with the Borrower's prior written consent. A Participant that would be a Non-U.S. Lender if it were a Lender shall not be entitled to the benefits of Section 4.6 unless the Borrower is notified of the participation sold to such Participant and such Participant agrees, for the benefit of the Borrower, to comply with the requirements set forth in Section 4.6 as though it were a Lender. Any Lender that sells a participating interest in any Loan, Commitment or other interest to a Participant under this Section shall indemnify and hold harmless the Borrower and the Administrative Agent from and against any taxes, penalties, interest or other costs or losses (including reasonable attorneys' fees and expenses) incurred or payable by the Borrower or the Administrative Agent as a result of the failure of the Borrower or the Administrative Agent to comply with its obligations to deduct or withhold any Taxes from any payments made pursuant to this Agreement to such Lender or the Administrative Agent, as the case may be, which Taxes would not have been incurred or payable if such Participant had been a Non-U.S. Lender that was entitled to deliver to the Borrower, the Administrative Agent or such Lender, and did in fact so deliver, an original duly completed and valid Form W-8BEN or W-8ECI or Exemption Certificate (or applicable successor form), or if such Participant had been a U.S. Lender that was entitled to deliver to the Borrower, the Administrative Agent or such Lender, and did in fact so deliver, an original duly completed and valid Form W-9 (or applicable successor form) entitling such Participant to receive payments under this Agreement without deduction or withholding of any United States federal taxes.

(g) Each Lender having sold a participation of its rights and obligations to a Participant under this Agreement, acting solely for this purpose as agent for the Borrower, shall

maintain a register for the recordation of the names and addresses of each Participant (and each change thereto, whether by assignment or otherwise) and the rights, interests or obligation of such Participants in any right or obligation hereunder; provided that such Lender shall have no obligation to make such register or the information thereto available to the Borrower or its Affiliates, except to the extent that such disclosure is necessary to establish that such commitment, loan or other obligation is in registered form under Section 5f.103-1(c) of the United States Treasury Regulations.

(h) Any Lender may at any time pledge or assign a security interest in all or any portion of its rights under this Agreement to secure obligations of such Lender, including any pledge or assignment to secure obligations to a Federal Reserve Bank; provided that no such pledge or assignment of a security interest shall release a Lender from any of its obligations hereunder or substitute any such pledgee or assignee for such Lender as a party hereto.

(i) In connection with any assignment of rights and obligations of any Defaulting Lender hereunder, no such assignment shall be effective unless and until, in addition to the other conditions thereto set forth herein, the parties to the assignment shall make such additional payments to the Administrative Agent in an aggregate amount sufficient, upon distribution thereof as appropriate (which may be outright payment, purchases by the assignee of participations or subparticipations, or other compensating actions, including funding, with the consent of the Borrower and the Administrative Agent, the applicable pro rata share of Loans previously requested but not funded by the Defaulting Lender, to each of which the applicable assignee and assignor hereby irrevocably consent), to (x) pay and satisfy in full all payment liabilities then owed by such Defaulting Lender to the Administrative Agent and each other Lender hereunder (and interest accrued thereon), and (y) acquire (and fund as appropriate) its full pro rata share of all Loans in accordance with its Percentage. Notwithstanding the foregoing, in the event that any assignment of rights and obligations of any Defaulting Lender hereunder shall become effective under applicable law without compliance with the provisions of this paragraph, then the assignee of such interest shall be deemed to be a Defaulting Lender for all purposes of this Agreement until such compliance occurs.

SECTION 10.12 Replacement of Lenders under Certain Circumstances. If at any time (a) the Borrower becomes obligated to pay additional amounts described in Section 4.3, 4.5 or 4.6 as a result of any condition described in such Sections or any Lender ceases to make LIBO Rate Loans, (b) any such Lender becomes a Defaulting Lender, or (c) any Lender becomes a "Non-Consenting Lender" (as defined below in this Section 10.12), Borrower may, on one Business Day's prior written notice to the Administrative Agent and such Lender, replace such Lender by causing such Lender to (and such Lender shall be obligated to) assign pursuant to Section 10.11 all of its rights and obligations under this Agreement to a Lender or other entity (a "Replacement Lender") selected by Borrower and reasonably acceptable to the Administrative Agent (such consent not to be unreasonably withheld or delayed; provided that no consent shall be required if the Replacement Lender is an existing Lender) for a purchase price equal to the outstanding principal amount of such Lender's Commitments and all accrued interest and fees and other amounts payable hereunder; provided that (i) neither the Administrative Agent nor any Lender shall have any obligation to the Borrower to find a Replacement Lender or other such entity and (ii) in no event shall the Lender hereby replaced be required to pay or surrender to such Replacement Lender or other entity any of the fees received by such Lender hereby

replaced pursuant to this Agreement. In the case of a replacement of a Lender to which the Borrower becomes obligated to pay additional amounts to such Lender prior to such Lender being replaced, the payment of such additional amounts shall be a condition to the replacement of such Lender. Each Lender agrees that if it is replaced pursuant to this Section 10.12, it shall execute and deliver to the Administrative Agent a Lender Assignment Agreement to evidence such sale and purchase and shall deliver to the Administrative Agent any Note (if the assigning Lender's Loans are evidenced by Notes) subject to such Lender Assignment Agreement; provided that the failure of any Lender replaced pursuant to this Section 10.12 to execute a Lender Assignment Agreement shall not render such sale and purchase (and the corresponding assignment) invalid. In the event that (x) the Borrower or the Administrative Agent has requested the Lenders to consent to a departure from, modification of or waiver of any provisions of the Loan Documents or to agree to any amendment thereto, (y) the consent, waiver or amendment in question requires the agreement of all or all affected Lenders in accordance with the terms of Section 10.1, all the Lenders with respect to a certain class of the Loans or a super-majority of the Lenders in accordance with clause (d) of Section 10.1 and (z) Required Lenders have agreed to such consent, waiver or amendment, then any Lender who does not agree to such consent, waiver or amendment shall be deemed a "Non-Consenting Lender". The Borrower's right to replace a Defaulting Lender pursuant to this Section 10.12 is, and shall be, in addition to, and not in lieu of, all other rights and remedies available to the Borrower against such Defaulting Lender under this Agreement, at law, in equity, or by statute.

SECTION 10.13 Other Transactions. Nothing contained herein shall preclude the Administrative Agent or any Lender from engaging in any transaction, in addition to those contemplated by the Loan Documents, with the Borrower or any of its Affiliates in which the Borrower or such Affiliate is not restricted hereby from engaging with any other Person.

SECTION 10.14 Forum Selection and Consent to Jurisdiction. EACH OBLIGOR HEREBY IRREVOCABLY AND UNCONDITIONALLY SUBMITS, FOR ITSELF AND ITS PROPERTY, TO THE EXCLUSIVE JURISDICTION AND VENUE OF THE BANKRUPTCY COURT, OR IN THE EVENT THE BANKRUPTCY COURT DOES NOT HAVE OR DOES NOT EXERCISE JURISDICTION, THEN TO THE COURTS OF THE STATE OF NEW YORK OR IN THE UNITED STATES DISTRICT COURT FOR THE SOUTHERN DISTRICT OF NEW YORK; PROVIDED THAT ANY SUIT SEEKING ENFORCEMENT AGAINST ANY COLLATERAL OR OTHER PROPERTY MAY BE BROUGHT, AT THE ADMINISTRATIVE AGENT'S OPTION, IN THE COURTS OF ANY JURISDICTION WHERE SUCH COLLATERAL OR OTHER PROPERTY MAY BE FOUND. THE BORROWER IRREVOCABLY CONSENTS TO THE SERVICE OF PROCESS BY REGISTERED MAIL, POSTAGE PREPAID, OR BY PERSONAL SERVICE WITHIN OR WITHOUT THE STATE OF NEW YORK AT THE ADDRESS FOR NOTICES SPECIFIED IN SECTION 10.2. THE BORROWER HEREBY EXPRESSLY AND IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY LAW, ANY OBJECTION WHICH IT MAY HAVE OR HEREAFTER MAY HAVE TO THE LAYING OF VENUE OF ANY SUCH LITIGATION BROUGHT IN ANY SUCH COURT REFERRED TO ABOVE AND ANY CLAIM THAT ANY SUCH LITIGATION HAS BEEN BROUGHT IN AN INCONVENIENT FORUM. TO THE EXTENT THAT THE BORROWER HAS OR HEREAFTER MAY ACQUIRE ANY IMMUNITY FROM JURISDICTION OF ANY COURT OR FROM ANY LEGAL PROCESS (WHETHER THROUGH SERVICE OR NOTICE,

ATTACHMENT PRIOR TO JUDGMENT, ATTACHMENT IN AID OF EXECUTION OR OTHERWISE) WITH RESPECT TO ITSELF OR ITS PROPERTY, THE BORROWER HEREBY IRREVOCABLY WAIVES TO THE FULLEST EXTENT PERMITTED BY LAW SUCH IMMUNITY IN RESPECT OF ITS OBLIGATIONS UNDER THE LOAN DOCUMENTS.

SECTION 10.15 Waiver of Jury Trial. THE ADMINISTRATIVE AGENT, EACH LENDER, AND THE BORROWER HEREBY KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVE TO THE FULLEST EXTENT PERMITTED BY LAW ANY RIGHTS THEY MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION BASED HEREON, OR ARISING OUT OF, UNDER, OR IN CONNECTION WITH, EACH LOAN DOCUMENT, OR ANY COURSE OF CONDUCT, COURSE OF DEALING, STATEMENTS (WHETHER ORAL OR WRITTEN) OR ACTIONS OF THE ADMINISTRATIVE AGENT, SUCH LENDER OR THE BORROWER IN CONNECTION THEREWITH. THE BORROWER ACKNOWLEDGES AND AGREES THAT IT HAS RECEIVED FULL AND SUFFICIENT CONSIDERATION FOR THIS PROVISION (AND EACH OTHER PROVISION OF EACH OTHER LOAN DOCUMENT TO WHICH IT IS A PARTY) AND THAT THIS PROVISION IS A MATERIAL INDUCEMENT FOR THE ADMINISTRATIVE AGENT AND EACH LENDER ENTERING INTO THE LOAN DOCUMENTS.

SECTION 10.16 Confidentiality. The Administrative Agent and each Lender shall ensure that financial statements or other information relating to the Borrower and its Subsidiaries which may be delivered to it pursuant to this Agreement and which are not publicly filed or otherwise made available to the public generally (other than through a breach of a confidentiality undertaking known to the Administrative Agent or the Lenders) will, except to the extent required by law to be disclosed, be treated confidentially by the Administrative Agent and each Lender (in accordance with its own procedures for keeping such information confidential) and will not, except with the consent of the Borrower, be distributed or otherwise made available by the Administrative Agent or any Lender to any Person other than its directors, officers, employees, authorized agents, counsel or other representatives (provided the other representatives have agreed or are under a duty to keep all information confidential) required, in the reasonable opinion of the Lender, to have such information for purposes of the Loan Documents. The Administrative Agent and each Lender is authorized to deliver a copy of any financial statement or any other information which may be delivered to it pursuant to this Agreement (a) to any actual or potential Participant or Eligible Assignee which has agreed in writing, in favor of such Lender and the Borrower, to maintain such information in confidence; (b) to any Governmental Authority having jurisdiction over the Lender in order to comply with any applicable laws (with a request for confidential treatment); (c) to any Affiliate of the Lender required, in the reasonable opinion of the Lender, to have such information, solely in connection with the Loans contemplated by the Loan Documents (provided that such Lender remains liable for the maintenance of confidentiality of such information); (d) to the Administrative Agent or any other Lender; and (e) to any nationally recognized rating agency that requires access to information about such Lender's investment portfolio in connection with ratings issued with respect to such Lender, and which has agreed in writing, in favor of such Lender and the Borrower, to maintain such information in confidence.

SECTION 10.17 USA Patriot Act Notice. Each Lender that is subject to the Patriot Act (as defined below) and the Administrative Agent (for itself and not on behalf of any Lender) hereby notifies the Borrower that pursuant to the requirements of the USA Patriot Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001)) (the "Patriot Act"), it is required to obtain, verify and record information that identifies the Borrower, which information includes the name and address of the Borrower and other information that will allow such Lender or the Administrative Agent, as applicable, to identify the Borrower in accordance with the Patriot Act.

SECTION 10.18 Parties Including Trustees; Bankruptcy Court Proceedings. Upon entry of the Interim Order (or when applicable, the Final Order), this Agreement, the other Loan Documents, and all Liens and other rights and privileges created hereby or pursuant hereto or to any other Loan Document shall be binding upon each Obligor, the bankruptcy estate of each Obligor, and any trustee, other bankruptcy estate representative or any successor in interest of any Obligor in the Chapter 11 Cases or any subsequent case commenced under Chapter 7 of the Bankruptcy Code, and shall not be subject to Section 365 of the Bankruptcy Code. This Agreement and the other Loan Documents shall be binding upon, and inure to the benefit of, the successors of the Administrative Agent and the Lenders and their respective assigns, transferees and endorsees. The Liens created by this Agreement and the other Loan Documents shall be and remain valid and perfected in the event of the substantive consolidation or conversion of any of the Chapter 11 Cases or any other bankruptcy case of any Obligor to a case under Chapter 7 of the Bankruptcy Code or in the event of dismissal of any of the Chapter 11 Cases or the release of any Collateral from the jurisdiction of the Bankruptcy Court for any reason, without the necessity that the Administrative Agent files financing statements or otherwise perfect its Liens under applicable law. No Obligor may assign, transfer, hypothecate or otherwise convey its rights, benefits, obligations or duties hereunder or under any of the other Loan Documents without the prior express written consent of the Administrative Agent and each Lender. Any such purported assignment, transfer, hypothecation or other conveyance by any Obligor without the prior express written consent of the Administrative Agent and each Lender shall be void. The terms and provisions of this Agreement are for the purpose of defining the relative rights and obligations of each Obligor, the Administrative Agent and each Lender with respect to the transactions contemplated hereby and no Person (other than Oak Hill to the extent relating to the Secured OHAA Payment Obligations) shall be a third party beneficiary of any of the terms and provisions of this Agreement or any of the other Loan Documents.

SECTION 10.19 No Fiduciary Duty. Each Agent, each Lender and their Affiliates (collectively, solely for purposes of this paragraph, the "Lenders"), may have economic interests that conflict with those of the Obligors, their stockholders and/or their affiliates. Each Obligor agrees that nothing in the Loan Documents or otherwise will be deemed to create an advisory, fiduciary or agency relationship or fiduciary or other implied duty between any Lender, on the one hand, and such Obligor, its stockholders or its affiliates, on the other. The Obligors acknowledge and agree that (i) the transactions contemplated by the Loan Documents (including the exercise of rights and remedies hereunder and thereunder) are arm's-length commercial transactions between the Lenders, on the one hand, and the Obligors, on the other, and (ii) in connection therewith and with the process leading thereto, (x) no Lender has assumed an advisory or fiduciary responsibility in favor of any Obligor, its stockholders or its affiliates with respect to the transactions contemplated hereby (or the exercise of rights or remedies with respect thereto) or the process leading thereto (irrespective of whether any Lender has advised, is

currently advising or will advise any Obligor, its stockholders or its Affiliates on other matters) or any other obligation to any Obligor except the obligations expressly set forth in the Loan Documents and (y) each Lender is acting solely as principal and not as the agent or fiduciary of any Obligor, its management, stockholders, creditors or any other Person. Each Obligor acknowledges and agrees that it has consulted its own legal and financial advisors to the extent it deemed appropriate and that it is responsible for making its own independent judgment with respect to such transactions and the process leading thereto. Each Obligor agrees that it will not claim that any Lender has rendered advisory services of any nature or respect, or owes a fiduciary or similar duty to such Obligor, in connection with such transaction or the process leading thereto.

ARTICLE XI
GRANT AND PERFECTION OF SECURITY INTEREST; PRIORITY OF LIENS

SECTION 11.1 Super-Priority Nature of Obligations and Secured Parties' Liens. Each Obligor represents, warrants, covenants and agrees that:

(a) The priority of the Administrative Agent's and Secured Parties' Liens on the Collateral owned by the Borrower shall be set forth in the Interim Order (or, when applicable, the Final Order).

(b) Upon entry of the Interim Order (or, when applicable, the Final Order), subject only to the Carve-Out, pursuant to Section 364(c)(1) of the Bankruptcy Code, the Obligations shall at all times constitute allowed super-priority administrative expenses of each of the Obligors in the Chapter 11 Cases having priority over any and all administrative expenses, diminution claims and all other claims against each of the Obligors, now existing or hereafter arising, including, without limitation, of the kind specified in, or ordered pursuant to, Sections 105, 326, 328, 330, 331, 503(b), 506(c) (upon entry of the Final Order), 507(b), 546(c), 726,1114 or any other section of the Bankruptcy Code, shall at all times be senior to the rights of the Obligors, the estates of the Obligors, and any successor trustee or estate representative in the Chapter 11 Cases or any subsequent proceeding or case under the Bankruptcy Code, and shall be payable in accordance with the terms of the Orders.

(c) Upon entry of the Interim Order (or, when applicable, the Final Order) and subject to the Carve-Out, pursuant to section 364(c)(2) of the Bankruptcy Code, the Obligations shall be secured by a valid, perfected, binding, continuing, enforceable, non-avoidable, first priority Lien on all unencumbered Collateral, including, without limitation, but subject to entry of the Final Order, the Debtors' Avoidance Actions and the proceeds thereof, whether received by judgment, settlement or otherwise.

(d) Upon entry of the Interim Order (or, when applicable, the Final Order) and subject to the Carve-Out, pursuant to section 364(c)(3) of the Bankruptcy Code, the Obligations shall be secured by a valid, perfected, binding, continuing, enforceable, non-avoidable, junior Lien upon all Collateral that is subject to (x) valid, enforceable, non-avoidable and perfected Liens in existence on the Petition Date and which are disclosed in Item 7.2.3(b)-1 of the Disclosure Schedule, and are senior to the Liens securing the obligations of the Obligors under the Pre-Petition Credit Agreement, after giving effect to any intercreditor or subordination

agreement, and (y) valid, enforceable and non-avoidable Liens in existence on the Petition Date that are perfected subsequent to the Petition Date as permitted by section 546(b) of the Bankruptcy Code and which are disclosed in Item 7.2.3(b)-2 of the Disclosure Schedule, and are senior to the Liens securing the obligations of the Obligors under the Pre-Petition Credit Agreement, after giving effect to any intercreditor or subordination agreement, in each case, other than Liens which are expressly stated to be primed by the Liens to be granted to the Administrative Agent and the Secured Parties described in clause (e) below (subject to such exception, the "Senior Liens").

(e) Except as otherwise expressly permitted herein, upon entry of the Interim Order (or, when applicable, the Final Order) and subject to the Carve-Out, pursuant to section 364(d)(1) of the Bankruptcy Code, the Obligations shall be secured by a valid, perfected, binding, continuing, enforceable, non-avoidable senior priming Lien on all Collateral (including, without limitation, Cash Collateral), which Liens shall be senior to (x) the Liens securing the obligations of the Obligors under the Pre-Petition Credit Agreement, and (y) except for the Senior Liens, any other Liens in favor of any other Person, including, without limitation, all Liens junior to the Liens securing any or all of the obligations of the Obligors under the Pre-Petition Credit Agreement (the Liens referenced in clauses (x) and (y), collectively, the "Primed Liens"), which Primed Liens, together with any Liens granted on or after the Petition Date to provide adequate protection in respect of any Primed Liens, shall be primed by and made subject and subordinate to the first priority senior priming Liens securing the Obligations granted pursuant to this clause (e).

(f) Except as set forth herein or in the Interim Order (or, as applicable, the Final Order), no other claim or Lien having a priority superior or *pari passu* to that granted to the Administrative Agent and the Secured Parties by the Interim Order (or, as applicable, the Final Order) shall be granted or approved while any Obligations under this Agreement remain outstanding without the prior written consent of the Administrative Agent (acting at the direction of the Required Lenders). Except for the Carve-Out, no costs or expenses of administration shall be imposed against the Secured Parties or any of the Collateral or the secured parties pursuant to the Pre-Petition Credit Agreement or any of the Collateral (as defined in the Pre-Petition Security Agreement) under Sections 105, 506(c) or 552 of the Bankruptcy Code, or otherwise, and the Obligors hereby waive for themselves and on behalf of each of their estates in bankruptcy, any and all rights under sections 105, 506(c) (upon entry of the Final Order) or 552, or otherwise, to assert or impose or seek to assert or impose, any such costs or expenses of administration against the Secured Parties or the lenders holding Pre-Petition Loans.

(g) The Liens and claims granted in respect of the Obligations pursuant to this Section 11.1 shall be subject and subordinate to the Carve-Out. The term "Carve-Out Trigger Notice" means a written notice delivered by the Administrative Agent or its counsel to the Obligors' lead counsel, the U.S. Trustee, counsel to the Pre-Petition Agent, counsel to OHAA and lead counsel to any statutory committee appointed in the Chapter 11 Cases, which notice may be delivered at any time following the occurrence and during the continuation of any Event of Default, expressly stating that the Carve-Out is invoked. Following delivery of the Carve-Out Trigger Notice or termination of the DIP Facility and the Obligors' authority to use Cash Collateral (as defined in the Orders), but only if such termination occurs prior to the effective date of any plan of liquidation, the Obligors shall immediately fund into a segregated account

established by the Obligors (the "Carve-Out Account") an amount equal to the aggregate amount accrued under the Carve-Out prior to the delivery of the Carve-Out Trigger Notice, plus the amount of the Carve-Out Cap. If there are insufficient funds on the date the Carve-Out Trigger Notice is delivered to fund the full amount of the Carve-Out, including the Carve-Out Cap, into the Carve-Out Account, any additional cash proceeds thereafter received by the Obligors, from whatever source, shall be transferred by the Obligors into the Carve-Out Account prior to making any distributions to creditors. All funds in the Carve-Out Account shall be used first to pay (i) all unpaid fees required to be paid in the Chapter 11 Cases under 28 U.S.C. § 1930 and 31 U.S.C. § 3717, whether arising prior to or after the delivery of the Carve-Out Trigger Notice and (ii) after the occurrence and during the continuance of an Event of Default (A) all reasonable and documented unpaid fees, costs, disbursements and expenses of professionals retained by the Obligors in the Chapter 11 Cases (collectively, the "Debtors' Professionals") that are incurred and earned prior to the first Business Day after the delivery by the Administrative Agent of a Carve-Out Trigger Notice, are allowed by the Bankruptcy Court under sections 105(a), 328, 330 or 331 of the Bankruptcy Code or otherwise (whether allowed by the Bankruptcy Court prior to or after delivery of a Carve-Out Trigger Notice) and remain unpaid after application of any retainers and any available funds remaining in the Obligors' estates for such creditors and (B) all reasonable and documented unpaid fees and expenses of professionals retained by any statutory committee appointed in the Chapter 11 Cases (collectively, the "Committee's Professionals") that are incurred and earned prior to the first Business Day after the delivery by the Administrative Agent of a Carve-Out Trigger Notice, are allowed by the Bankruptcy Court under sections 105(a), 330 or 331 of the Bankruptcy Code or otherwise (whether allowed by the Bankruptcy Court prior to or after delivery of a Carve-Out Trigger Notice) and remain unpaid after application of any available funds remaining in the Obligors' estates for such creditors, and then, to pay all reasonable and documented unpaid fees, costs, disbursements and expenses of the Debtors' Professionals and Committee's Professionals that are incurred and earned on or after the first Business Day after the delivery by the Lenders of a Carve-Out Trigger Notice, that are allowed by the Bankruptcy Court under sections 105(a), 328, 330 or 331 of the Bankruptcy Code or otherwise and remain unpaid after application of any retainers and any available funds remaining in the Obligors' estates for such creditors and in an aggregate amount not to exceed the Carve-Out Cap (plus all unpaid fees, costs, disbursements and expenses of the Debtors' Professionals and Committee's Professionals allowed by the Bankruptcy Court at any time that were incurred on or prior to the first Business Day following the delivery of the Carve-Out Trigger Notice); provided that, nothing herein shall be construed to impair the ability of any party to object to the fees, expenses, reimbursement or compensation described in clauses (A) and (B) above. All amounts deposited in the Carve-Out Account shall continue to be subject to the Liens pursuant to the Loan Documents and the Liens pursuant to the Pre-Petition Credit Agreement such that, upon final payment of all allowed amounts due and owing under the Carve-Out, including the Carve-Out Cap, as determined by further order of the Bankruptcy Court, any funds remaining in the Carve-Out Account shall be remitted to the Debtors and governed by the terms of this Agreement. Notwithstanding anything to the contrary in this Agreement, all liens and claims granted pursuant to the Interim Order, as well as all liens and claims granted pursuant to any Obligations (as defined in the Pre-Petition Credit Agreement), shall be subject to the Carve-Out.

Notwithstanding the foregoing, so long as the Carve-Out Trigger Notice has not been delivered, the Borrower shall be permitted to pay, as the same may become due and payable, fees

and expenses allowed and payable under 11 U.S.C. § 330 and § 331, and the same shall not reduce the Carve-Out Cap.

No portion of the Carve-Out, any Collateral (including, without limitation, any Cash Collateral) proceeds or proceeds of the Loans may be used for the payment of the fees and expenses of any person incurred challenging, or in relation to the challenge of, (i) any of the Administrative Agent's or the Secured Parties' Liens or claims, or the initiation or prosecution of any claim or action against any of the Administrative Agent or Secured Parties; (ii) any claims or causes of actions (including any claims or causes of action under Chapter 5 of the Bankruptcy Code) against the Pre-Petition Agent or the Pre-Petition Lenders, their respective advisors, agents and sub-agents, including formal discovery proceedings in anticipation thereof, and/or challenging any Lien of the Pre-Petition Agent and the Pre-Petition Lenders; (iii) any claims, demands, liabilities, responsibilities, disputes, remedies, causes of action, indebtedness or obligations against Released Parties; or (iv) stipulations made by the Obligors with respect to the Pre-Petition Credit Agreement and approved by the Interim Order; provided, however, that the Carve-Out, Collateral (including, without limitation, any Cash Collateral), and proceeds of the Loans may be used only in an amount up to $25,000 in the aggregate (the "Committee Investigation Fund") for the payment or reimbursement of any fees or disbursements of the Committee incurred in connection with making any such investigation (and such funds shall only be payable with respect to the payment or reimbursement of Committee fees or disbursements).

For the avoidance of doubt, any and all claims (i) incurred by the Committee in excess of the Committee Investigation Fund or (ii) incurred by any professional persons or any party on account of professional fees and expenses that exceed the applicable amounts set forth in the Approved Budget shall not constitute an allowed administrative expense claim for purposes of section 1129(a)(9)(A) of the Bankruptcy Code, and such claims shall not be satisfied by the Carve-Out, Collateral (including, without limitation, any Cash Collateral), or proceeds of the Loans and shall be satisfied solely from unencumbered assets reducing recoveries to the holders of unsecured claims (other than any deficiency claim held by the Pre-Petition Lenders).

SECTION 11.2 Payment of Obligations. Subject to the Orders and Section 8.1 hereof, upon the Stated Maturity Date (whether by acceleration or otherwise) of any of the Obligations under this Agreement or any of the other Loan Documents or Pre-Petition Credit Agreement pursuant to the Final Order, the Administrative Agent and the Lenders shall be entitled to immediate payment in full in cash of such Obligations without further application to or order of the Bankruptcy Court.

SECTION 11.3 No Discharge; Survival of Claims. The Obligors agree that unless the Obligations have been indefeasibly paid in full in cash at such time (a) the Obligations hereunder shall not be discharged by the entry of an order confirming any plan of reorganization in any Chapter 11 Case (and the Obligors pursuant to Section 1141(d)(4) of the Bankruptcy Code, hereby waive any such discharge) and (b) the super-priority administrative expense claim granted to the Secured Parties pursuant to the Orders and described in Section 11.1 and the Liens granted to Secured Parties pursuant to the Orders and described in Section 11.1 shall not be affected in any manner by the entry of an order confirming any plan of reorganization in any Chapter 11 Case.

SECTION 11.4 Release. The Obligors hereby acknowledge effective upon entry of each Order, that the Obligors have no defense, counterclaim, offset, recoupment, cross-complaint, claim or demand of any kind or nature whatsoever that can be asserted to reduce or eliminate all of any part of the Obligors' liability to prepay or repay the Administrative Agent or any Lender as provided in this Agreement or other Loan Documents or the Pre-Petition Credit Agreement pursuant to the Final Order or to seek affirmative relief or damages of any kind or nature from the Administrative Agent or any Lender. The Obligors, in their own right, on behalf of each of their bankruptcy estates, hereby, effective upon entry of, and subject to, the Final Order, fully, finally and forever release and discharge the Administrative Agent and the Lenders and all of Administrative Agent's and Lenders' past and present officers, directors, agents, attorneys, assigns, heirs, parents, subsidiaries, and each person acting for or on behalf of any of them (collectively, the "Released Parties") of and from any and all past and present actions, causes of action, demands, suits, claims, liabilities, Liens, lawsuits, adverse consequences, amounts paid in settlement, costs, damages, debts, deficiencies, diminution in value, disbursements, expenses, losses and other obligations of any kind or nature whatsoever, whether in law, equity or otherwise (including, without limitation, those arising under Sections 541 through 550 of the Bankruptcy Code and interest or other carrying costs, penalties, legal, accounting and other professional fees and expenses, and incidental, consequential and punitive damages payable to third parties), whether known or unknown, fixed or contingent, direct, indirect, or derivative, asserted or unasserted, foreseen or unforeseen, suspected or unsuspected, now existing, heretofore existing or which may heretofore accrue against any of the Released Parties, whether held in a personal or representative capacity, and which are based solely on acts, facts, events or omissions or other matters, causes or things occurring at or from any time prior to and including the date hereof in any way, directly or indirectly arising out of, connected with or relating to this Agreement, the Loan Documents, the Orders and the transactions contemplated hereby, and all other agreements, certificates, instruments and other documents and statements (whether written or oral) related to any of the foregoing; provided, that nothing herein shall be deemed to be a release of any Released Party from its obligations under the Loan Documents, the Orders or any order of the Bankruptcy Court applicable to such Person, provided, further, that nothing contained herein shall be deemed to limit or modify the rights granted to third parties under the Orders.

Exhibit B

Proposed Interim Order

UNITED STATES BANKRUPTCY COURT
DISTRICT OF DELAWARE

In re	:	**Chapter 11**
SOUTHERN AIR HOLDINGS, INC., *et al.*,	:	**Case No. 12-12690 ( )**
Debtors.[1]	:	**Joint Administration Requested**

INTERIM ORDER (I) AUTHORIZING DEBTORS (A) TO OBTAIN POSTPETITION FINANCING PURSUANT TO 11 U.S.C. §§ 105, 361, 362, AND 364, (B) TO USE CASH COLLATERAL PURSUANT TO 11 U.S.C. § 363, AND (C) GRANT CERTAIN PROTECTIONS TO (II) GRANTING CERTAIN PROTECTIONS TO PREPETITION SECURED PARTIES PURSUANT TO 11 U.S.C. §§ 361, 362, 363, AND 364, AND (III) SCHEDULING FINAL HEARING PURSUANT TO BANKRUPTCY RULES 4001(b) AND (c)

Upon consideration of the motion (the "Motion"),[2] dated September 28, 2012, of Cargo 360, Inc. (the "Borrower" or "Cargo") and the other above-captioned debtors and debtors-in-possession (collectively, the "Debtors") in the above-captioned chapter 11 cases (the "Chapter 11 Cases") pursuant to sections 105, 361, 362, 363, and 364 of title 11 of the United States Code, 11 U.S.C. §§ 101-1532 (as amended, the "Bankruptcy Code"), and Rules 2002, 4001, 6004, and 9014 of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules"), and the Local Rules for the Bankruptcy Court for the District of Delaware (the "Local Bankruptcy Rules"), seeking, among other things:

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1 The Debtors in these cases, along with the last four digits of each Debtor's federal tax identification number, are: (i) Southern Air Holdings, Inc., 6605; (ii) Cargo 360, Inc., 4233; (iii) Southern Air Inc., 2187; (iv) Air Mobility Inc., 3824; (v) 21110 LLC, 3761; (vi) 21111 LLC, 8100; (vii) 21221 LLC, 1567; (viii) 21550 LLC, 8103; (ix) 21576 LLC, 6341; (x) 21590 LLC, 8105; (xi) 21787 LLC, 0617; (xii) 21832 LLC, 7893; (xiii) 23138 LLC, 7192; (xiv) 24067 LLC, 6360; (xv) 46914 LLC, 0322; (xvi) Aircraft 21255, LLC, 5500; (xvii) Aircraft 21380, LLC, 1753; and (xviii) CF6-50, LLC, 9733. The address for all Debtors is 117 Glover Avenue, Norwalk, Connecticut 06850.

2 Capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the DIP Loan Documents (as defined below).

(i) The Court's authorization for the Borrower to (A) obtain postpetition financing (the "DIP Financing"), and the Guarantors (as defined herein) to guaranty the obligations of all Debtors in connection with the DIP Financing, which shall consist of a superpriority priming delayed-draw term loan facility, in an aggregate principal amount of up to $62,500,000 (the "DIP Facility"), and such other financial accommodations, allocated as follows:

(a) **New Money Loans**. A superpriority priming new money delayed draw term loan facility in the principal amount of $25,000,000 (the "New Money Loan Commitments" and the term loans made thereunder, the "New Money Loans") to be secured by liens on the Collateral (as defined below) and entered into between, on the one hand, Borrower, a Delaware corporation and, on the other hand, Canadian Imperial Bank of Commerce, New York Agency, as administrative agent and collateral agent ("CIBC," in such capacity, the "DIP Agent"), and certain financial institutions that are party to the DIP Loan Agreement (as defined below) from time to time with respect to the DIP Facility (each a "DIP Lender," and collectively, the "DIP Lenders") with all DIP Obligations (as defined below) to be unconditionally and jointly and severally guaranteed (the "Guarantee") by each guarantor (the "Guarantors") of obligations under that certain Credit Agreement dated as of September 6, 2007, among the Borrower and CIBC, as administrative agent and collateral agent (in such capacity the "Prepetition Agent") for the lenders (in such capacity the "Prepetition Lenders") (as amended or otherwise modified prior to the date hereof by the First Amendment to Credit Agreement, dated as of October 24, 2007, the Second Amendment and Waiver to Credit Agreement and First Amendment to Second Forbearance Agreement to

Credit Agreement, dated as of August 12, 2009, the Third Amendment and Waiver to Credit Agreement and Second Amendment to Second Forbearance Agreement to Credit Agreement, dated as of October 15, 2009, the Fourth Amendment and Waiver to Credit Agreement, dated as of December 10, 2009, the Fifth Amendment to Credit Agreement, dated as of February 25, 2010 and the Sixth Amendment to Credit Agreement, dated as of September 30, 2011 (and as further amended, supplemented and otherwise modified from time to time, and related definitive documentation, in each case as further amended, supplemented or otherwise modified prior to the date hereof, and including all exhibits and other ancillary documentation in respect thereof, the "Prepetition Credit Agreement" and such facilities, the "Prepetition Senior Credit Facilities").

(b) **Roll-Up Loans**. With respect to each person who beneficially owns (or whose affiliates beneficially owns) Obligations (as defined in the Prepetition Credit Agreement) (collectively, the "Prepetition Loans") under the Prepetition Senior Credit Facilities (each, an "Eligible Subscriber") who (i) is (or derives its interest from) a legal owner of Prepetition Loans in which such Eligible Subscriber (or its designated affiliate (including funds under common management)) owns a beneficial interest and has executed the DIP Credit Agreement and (ii) commits to fund the New Money Loans, such Eligible Subscriber shall have the right to roll-up its *pro rata* share (calculated by dividing its New Money Loan Commitments by the total amount of New Money Loan Commitments) of $37,500,000.00 of the principal amount of the Prepetition Loans (collectively the "Roll-Up Loans," together with the New Money Loans, the "DIP Loans") beneficially owned by

such person in its capacity as an Eligible Subscriber (or its designated affiliate (including funds under common management)).

(c) **Interim Facility**. During the period commencing on the date hereof but prior to the entry of a final order that is in form and substance satisfactory to the Required Lenders (the "Final Order" and, the date upon which the Court enters the Final Order and such order becomes effective, the "Final Order Entry Date") approving the DIP Facility or such earlier date upon the occurrence of the Interim Facility Maturity Date (as defined below) of the DIP Loan Agreement (as defined herein) (such period, the "Interim Period"), the maximum amount available to be drawn under the DIP Facility shall be limited to $12,500,000 (the "Interim Facility"), subject to compliance with the terms, conditions and covenants described in the DIP Loan Documents and in accordance with the Approved Budget (as defined in the DIP Loan Documents) and all DIP Obligations incurred under the Interim Facility will be due and payable on the date that is 45 days after the entry of this Interim Order (as defined below) or such earlier date upon the occurrence of a maturity event (the "Interim Facility Maturity Date") unless the Final Order Entry Date shall have occurred on or before such date or the Required Lenders otherwise agree.

(ii) The Court's authorization for the Debtors to grant certain protections pursuant to section 364 of the Bankruptcy Code as set forth in this Interim order and any applicable DIP Document (the "OHAA Protections") to the Secured OHAA Payment Obligations (as defined below) arising under the Stipulation Pursuant to Sections 363 and 1110 of the Bankruptcy Code

Regarding Oak Hill Entities[3] and 777 Aircraft, filed by the Debtors on the Petition Date (the "Section 1110 Stipulation"). In accordance with the terms of the Section 1110 Stipulation, the Oak Hill Entities shall provide certain payments to the Debtors from and after the Petition Date including (a) payments, each in the amount of $833,333.33 to be made (x) within one business day of entry of this Order, and (y) following entry of an order by this Court approving the Section 1110 Stipulation (the "Stipulation Approval Order"), and on the first business day of each of the successive eleven (11) months following the Petition Date (each such payment, which in no event shall total more than $10,000,000 in the aggregate, a "12-Month Payment"), and (b) from and after the Petition Date and for the five years thereafter, certain ratable periodic payments to the Debtors in the aggregate amount of $2,000,000 per year on account of the OHAA Leases, up to an aggregate total amount of $10,000,000 (collectively, the "Additional Monthly Payments" and, together with the 12-Month Payments and the Boeing Credit (as defined in the Section 1110 Stipulation), the "OHAA Payments"). "Secured OHAA Payments" shall mean all amounts actually received by the Debtors (or deemed received by the Debtors in the case of the Boeing Credit) from any Oak Hill Entity during the pendency of the Chapter 11 Cases pursuant to the Section 1110 Stipulation and "Secured OHAA Payment Obligations" shall mean the obligations of the Debtors under the Section 1110 Stipulation and any Applicable DIP Document to repay the Secured OHAA Payments.

(iii) The Court's authorization for the Debtors to execute and deliver additional final documentation consistent with the terms of (or as may be required by) the Senior Secured Super-Priority Debtor In Possession Credit Agreement, to be dated on or about the date hereof (as the same may be amended or modified, the "DIP Loan Agreement") in substantially the form

[3] Oak Hill Entities shall mean (collectively) Oak Hill Capital Partners II, L.P. ("OHCP"), OH Aircraft Acquisition, LLC ("OHAA") and Oak Hill Cargo 360, LLC ("OH Cargo").

attached as Exhibit A to the Motion pursuant to this interim order (the "Interim Order" and, the date upon which this Interim Order is entered and such order becomes effective, the "Interim Order Entry Date"), and all additional documentation (the "DIP Loan Documents" and, together with the DIP Loan Agreement, the Guaranties, the Approved Budget, this Interim Order and the Final Order, and any other related security, collateral or other documentation, collectively, the "DIP Documents"), and to perform such other and further acts as may be required in connection with the DIP Documents;

(iv) The Court's authorization for the use of the proceeds of the DIP Financing extended to the Borrower as expressly provided in the DIP Documents in accordance with the terms of the Approved Budget, including, without limitation: (a) to pay (A) all fees due to the DIP Agent as provided under the DIP Facility and (B) all reasonable out-of-pocket professional fees and expenses (including legal, financial advisor, appraisal and valuation-related fees and expenses) incurred by the DIP Agent to the extent provided for in the DIP Facility (the amounts described in clauses (A) and (B) are referred to herein as the "DIP Expenses"), (b) to exchange certain of the Prepetition Loans for Roll-Up Loans, and (c) to provide working capital to the Debtors for other general corporate purposes and for other administration costs of the Chapter 11 Cases and other claims or amounts approved by the Bankruptcy Court and in accordance with the Approved Budget, which Approved Budget shall provide sufficient funds for the payment of the amounts the Debtors are required to pay (i) under the Section 1110 Stipulation, (ii) to timely perform their obligations under the 777 Leases from and after the Petition Date and (iii) cure any payment defaults under the 777 Leases that are in existence as of the Petition Date (collectively, the "On-Going Expenses") and to pay professional fees and expenses of the Debtors and the Committee (as defined herein), if one is appointed during the Chapter 11 Cases (the

"Professional Expenses" and, together with DIP Expenses and On-Going Expenses, the "Permitted Expenditures");

(v) The Court's granting to the DIP Agent (a) for the benefit of the DIP Agent and the DIP Lenders (collectively, the "DIP Secured Parties") with respect to the DIP Loans, all of the obligations and indebtedness arising under, in respect of or in connection with the DIP Financing and the DIP Documents, including all loans made to and guarantees issued by the Debtors pursuant to the DIP Documents (including the New Money Loans and the Roll-up Loans) and any other obligations under the DIP Documents (all of the foregoing, collectively, the "DIP Obligations") and (b) for the benefit of the Oak Hill Entities in respect of the Secured OHAA Payment Obligations, in each case in accordance with the relative priorities set forth more fully below, but subject in all respects to the Carve-Out (as defined herein) on all property, whether now owned or hereafter acquired or existing and wherever located, of each Debtor and each Debtor's "estate" (as created pursuant to Section 541(a) of the Bankruptcy Code), property of any kind or nature whatsoever, real or personal, tangible or intangible, and now existing or hereafter acquired or created, including, without limitation, all accounts, inventory, goods, contract rights, instruments, documents, chattel paper, patents, trademarks, copyrights, and licenses therefor, accounts receivable, receivables and receivables records, general intangibles, payment intangibles, tax or other refunds, insurance proceeds, letters of credit, contracts, chattel paper, owned real estate, real property leaseholds, fixtures, deposit accounts, commercial tort claims, securities accounts, instruments, investment property, letter-of-credit rights, supporting obligations, machinery and equipment, real property, leases (and proceeds from the disposition thereof), all of the issued and outstanding capital stock of each Debtor, money, investment property, and causes of action (including any and all actions arising under the Bankruptcy Code),

Cash Collateral (as that term is defined herein), and all cash and non-cash proceeds, rents, products, substitutions, accessions, and profits of any of the collateral described above, documents, vehicles, intellectual property, securities, partnership or membership interests in limited liability companies and capital stock, including, without limitation, the products, proceeds and supporting obligations thereof, and subject to entry of the Final Order, any causes of action under sections 502(d), 544, 545, 547, 548, 549, 550 and 553 of the Bankruptcy Code (collectively, the "Collateral"). The term Collateral shall not include any asset specifically excluded from the definition of Collateral in the Security Agreement attached as an Exhibit to the DIP Credit Agreement. Specifically, the Motion sought,

(a) pursuant to Bankruptcy Code section 364(c)(1), joint and several superpriority administrative expense claims status in the Chapter 11 Cases, which claims in respect of the DIP Facility and the Secured OHAA Payment Obligations shall be superior to all other claims and shall not be subject to discharge under section 1141 of the Bankruptcy Code;

(b) pursuant to Bankruptcy Code section 364(c)(2), a first priority lien on all unencumbered Collateral (whether now or hereafter acquired and all proceeds, product or offspring thereof);

(c) subject to clause (d) below, pursuant to Bankruptcy Code section 364(c)(3), a junior lien on all encumbered Collateral (whether now or hereafter acquired and all proceeds, product or offspring thereof); and

(d) pursuant to Bankruptcy Code section 364(d), a first priority priming lien on all Collateral (whether now or hereafter acquired and all proceeds, product or

offspring thereof) that were subject to a lien under the Existing Primed Secured Facilities (as defined herein) as of the Petition Date;

(vi) The Court's granting the OHAA Protections for the Secured OHAA Payment Obligations, entitling the Oak Hill Entities to receive a ratable distribution, *pari passu* with the DIP Loans, upon any realization of Collateral, on the terms set forth in the DIP Documents;

(vii) The Court's granting adequate protection to the secured parties whose liens and security interests are being primed by the DIP Financing and the Secured OHAA Payments as set forth below (such parties, the "Adequate Protection Parties");

(viii) The Court's authorization for the Debtors to use any Cash Collateral (as defined below) in which Adequate Protection Parties may have an interest and the granting of certain protections to the Adequate Protection Parties with respect to, *inter alia*, use of their Cash Collateral in accordance with the Approved Budget and the use (and any Diminution in Value (as defined herein)) of their Cash Collateral as provided herein;

(ix) The Court's approval of the incurrence and payment of (a) a superpriority administrative expense claim equal to 5% of the total equity value of the reorganized Debtors that shall accrue as of the entry of this Order (the "Equity Payment"), which Equity Payment shall be payable to each initial DIP Lender pro rata based on the amount of such DIP Lenders' New Money Loan Commitments as a non-refundable cash payment upon the earliest of (A) confirmation of any plan of reorganization, in which case the Equity Payment shall be deemed to be in an amount equal to the greater of (x) 5% of the total equity value of the reorganized Debtors under such plan and (y) 5% of what the total equity value of the reorganized Debtors would have been under the Plan as defined in the Support Agreement (B) sale of all or substantially all of the Debtors' assets, in which case the Equity Payment shall be deemed to be

equal to the greater of (x) 5% of the New-Money Loan Commitments and (y) 5% of the sale proceeds, and shall in each case be payable only from sale proceeds and senior to all other DIP Obligations; or (C) conversion of the Chapter 11 Case of Southern Air, Inc. to a case under chapter 7 of the Bankruptcy Code, in which case the Equity Payment shall be deemed to be equal to 5% of New-Money Loan Commitments and shall be senior to the DIP Obligations; provided that upon confirmation of any plan of reorganization the Equity Payment may, at the election of the Debtors announced prior to the hearing to consider confirmation of such plan, be paid in the form of capital securities in the reorganized Debtors equal to the Equity Payment; (b) upon the funding of Interim DIP Facility, a cash payment of 1.50% of the aggregate principal amount of the New Money Loans, payable to the DIP Lenders on a *pro rata* basis based on their New Money Loan Commitments (the "Cash Payment Upon Closing"); (c) the cash payment to the DIP Agent of the administrative fees set forth in the Fee Letter; and (d) other related costs, fees and expenses (including pursuant to the Fee Letter);

(x) That the Court vacate and modify the automatic stay imposed by section 362 of the Bankruptcy Code to implement and effectuate the terms and provisions of the DIP Documents, the OHAA Protections, and this Interim Order;

(xi) That the Court waive any applicable stay (including under Bankruptcy Rule 6004) and provide for immediate effectiveness of this Interim Order;

(xii) Pursuant to Bankruptcy Rule 4001, that the Court consider entry of this Interim Order, authorizing that during the Interim Period, and subject to the terms and conditions contained in the DIP Documents, an amount not to exceed $12,500,000, be made available, and $37,500,000 of the Roll-Up Loans shall be deemed borrowed and exchanged for the same amount of Prepetition Loans (together, the "Initial Availability") and the Debtors' receipt of the

initial $833,333.33 Secured OHAA Payment and any other Secured OHAA Payment made following the entry of the Stipulation Approval Order; and

(xiii) That the Court schedule a final hearing (the "Final Hearing") to consider entry of the Final Order granting the relief requested in the Motion on a final basis and authorizing the balance of the borrowings under the DIP Documents and the balance of the Secured OHAA Payments on a final basis.

The interim hearing on the Motion having been held on [_____], 2012 (the "Interim Hearing"); and based upon all of the pleadings filed with the Court, the evidence presented at the Interim Hearing and the entire record herein; and the Court having heard and resolved or overruled any objections (formal or informal) to the interim relief requested in the Motion; and the Court having noted the appearances of all parties in interest; and it appearing that the relief requested in the Motion is in the best interests of the Debtors and the Debtors' estates and creditors; and the Debtors having provided notice of the Motion as set forth in the Motion and it appearing that no further or other notice of the Motion need be given; and after due deliberation and consideration, and sufficient cause appearing therefor:

BASED ON THE RECORD ESTABLISHED AT THE INTERIM HEARING BY THE DEBTORS, THE COURT HEREBY MAKES THE FOLLOWING FINDINGS OF FACT AND CONCLUSIONS OF LAW:[4]

A. Petition Date. On September 28, 2012 (the "Petition Date"), the Debtors commenced the Chapter 11 Cases by filing voluntary petitions for relief under the Bankruptcy Code. The Debtors are operating their businesses and managing their affairs as debtors-in-possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. No trustee or examiner has been appointed in any of these Chapter 11 Cases.

[4] Findings of fact shall be construed as conclusions of law, and conclusions of law shall be construed as finding of fact, pursuant to Bankruptcy Rule 7052.

B. Jurisdiction; Venue. The Court has jurisdiction over the Chapter 11 Cases, the parties, and the Debtors' property pursuant to 28 U.S.C. §1334. This is a core proceeding pursuant to 28 U.S.C. §157(b)(2)(D). Venue of the Chapter 11 Cases and the Motion is proper under 28 U.S.C. §§ 1408 and 1409. The statutory predicates for the relief sought herein are sections 105, 361, 362, 363, and 364 of the Bankruptcy Code and Bankruptcy Rules 2002, 4001, 6004, and 9014 and the Local Bankruptcy Rules.

C. Committee Formation. No official committee of unsecured creditors has yet been appointed in any of these Chapter 11 Cases.

D. Prepetition Credit Agreement/Debt Arrangements. The Debtors represent that the Debtors are each Borrowers or Guarantors under the Prepetition Senior Credit Facilities and the Prepetition Credit Agreement. Pursuant to the Prepetition Credit Agreement, the Prepetition Lenders provided the Debtors with loans in the aggregate principal amount of approximately $287,683,250.99 (including capitalized "PIK" interest and issued but undrawn letters of credit, but excluding accrued interest (including accrued but uncapitalized PIK interest), fees, and expenses incurred in connection therewith). For purposes of this Interim Order, the term "Prepetition Indebtedness" shall mean all amounts owed, as of the Petition Date, to the Prepetition Agent and the Prepetition Lenders under the Prepetition Credit Agreement, including, without limitation, all Obligations of any Debtor thereunder.

E. Stipulations. In requesting the DIP Financing under the DIP Documents, the Debtors, on behalf of themselves and their subsidiaries, permanently, immediately, and irrevocably acknowledge, represent, stipulate, and agree, that, in each case subject to Paragraph 21 of this Interim Order:

a. in entering into the DIP Documents and the Section 1110 Stipulation, and as consideration therefor, the Debtors and the Non-Debtor Subsidiary hereby agree that until such time as all DIP Obligations are indefeasibly satisfied in accordance with the terms of the DIP Documents, the commitments are terminated in accordance with the terms of the DIP Documents, and the Secured OHAA Payment Obligations have been satisfied on the terms set forth in the Section 1110 Stipulation, the Debtors and the Non-Debtor Subsidiary will not in any way prime or seek to prime (or otherwise cause to be subordinated in any way) the liens, security interests, or claims provided under this Interim Order to the DIP Agent or OHAA by offering a subsequent lender or any party-in-interest a superior or *pari passu* lien or claim pursuant to section 364 of the Bankruptcy Code except as otherwise provided herein or in the DIP Documents, or otherwise;

b. as of the Petition Date, (A) the aggregate principal amount of the Prepetition Indebtedness is not less than $287,683,250.99 (including capitalized "PIK" interest and issued but undrawn letters of credit, but excluding accrued interest (including accrued but uncapitalized PIK interest), fees, and expenses incurred in connection therewith), (B) all of the Prepetition Indebtedness is unconditionally owing by the Debtors to the Prepetition Agent and the Prepetition Lenders, and (C) based on the Debtors' due diligence, all claims in respect of the Prepetition Indebtedness (i) are not and shall not be subject to any avoidance, reduction, setoff, offset, recharacterization, subordination (whether equitable, contractual, or otherwise), counterclaims, cross-claims, recoupment, defenses, disallowance, impairment, or any other challenges under the Bankruptcy Code or any other

applicable domestic or foreign law or regulation by any person or entity, and (ii) constitutes the legal, valid, and binding obligations of the Debtors and their respective estates, enforceable against each such Debtor and estate in accordance with the Prepetition Credit Agreement;

c. the liens securing the Prepetition Senior Credit Facilities (the "Existing Liens") (A) constitute valid, binding, enforceable, and perfected first priority liens on the collateral as described in the security agreements entered into in connection with the Prepetition Credit Agreement (the "Prepetition Collateral") that, prior to the entry of this Interim Order, were subject only to the permitted liens set forth in Section 7.2.3 of the Prepetition Credit Agreement (the "Permitted Liens") and (B) are not, and shall not be, subject to avoidance, reduction, setoff, recoupment, offset, recharacterization, subordination (whether equitable, contractual, or otherwise), counterclaims, cross-claims, defenses, disallowance, impairment, or any other challenges under the Bankruptcy Code or any other applicable foreign or domestic law or regulation by any person or entity;

d. the DIP Agent, the DIP Lenders, the Prepetition Agent, and the Prepetition Lenders are not control persons or insiders of the Prepetition Obligors or the Debtors by virtue of any of the actions taken with respect to, in connection with, related to, or arising from the DIP Documents and/or the Prepetition Credit Agreement;

e. as of the Petition Date, there exist no claims or causes of action against any of the Prepetition Agent, the Prepetition Lenders, the DIP Agent, or the DIP Lenders with respect to, in connection with, related to, or arising from the Prepetition

Senior Credit Facilities or the DIP Financing that may be asserted by the Debtors, the Non-Debtor Subsidiary, or any other person or entity;

f. as of the Petition Date, there are no senior or *pari passu* liens on or security interests in the Collateral except for the Existing Liens and, to the extent such liens are determined to be valid, perfected, binding, and enforceable, the Permitted Liens; and

g. the Debtors and their subsidiaries forever and irrevocably release, discharge, and acquit the Oak Hill Parties of and from any and all claims, demands, liabilities, responsibilities, disputes, remedies, causes of action, indebtedness and obligations, rights, assertions, allegations, actions, suits, controversies, proceedings, losses, damages, injuries, attorneys' fees, costs, expenses, or judgments of every type, whether known, unknown, asserted, unasserted, suspected, unsuspected, accrued, unaccrued, fixed, contingent, pending, or threatened including, without limitation, all legal and equitable theories of recovery, arising under common law, statute or regulation or by contract, of every nature and description that exist on the date hereof solely to the extent directly related to the Secured OHAA Payment Obligations, including, without limitation any and all claims and causes of action regarding the validity, priority, perfection or avoidability of the liens or claims securing the Secured OHAA Payment Obligations.

h. the Debtors and their subsidiaries forever and irrevocably release, discharge, and acquit the former, current, or future DIP Agent, the DIP Lenders, the Prepetition Agent, and the Prepetition Lenders, and each of their respective former, current,

or future officers, employees, directors, agents, representatives, owners, members, partners, financial advisors, legal advisors, shareholders, managers, consultants, accountants, attorneys, affiliates, and predecessors in interest (collectively, the "Releasees") of and from any and all claims, demands, liabilities, responsibilities, disputes, remedies, causes of action, indebtedness and obligations, rights, assertions, allegations, actions, suits, controversies, proceedings, losses, damages, injuries, attorneys' fees, costs, expenses, or judgments of every type, whether known, unknown, asserted, unasserted, suspected, unsuspected, accrued, unaccrued, fixed, contingent, pending, or threatened including, without limitation, all legal and equitable theories of recovery, arising under common law, statute or regulation or by contract, of every nature and description that exist on the date hereof relating to the Prepetition Credit Agreement, the Prepetition Indebtedness, the Prepetition Liens, the DIP Financing, the Support Agreement, or the transactions contemplated under such documents, including, without limitation, (i) any so-called "lender liability" or equitable subordination claims or defenses, (ii) any and all claims and causes of action arising under title 11 of the United States Code, and (iii) any and all claims and causes of action regarding the validity, priority, perfection or avoidability of the liens or claims of the Prepetition Agent, the Prepetition Lenders, the DIP Agent, and/or the DIP Lenders.

F. Cash Collateral. For purposes of this Interim Order, the term "Cash Collateral" shall mean and include all "cash collateral," as defined in section 363 of the Bankruptcy Code, in which the Prepetition Agent has, for the benefit of itself and the Prepetition

Lenders, a lien, security interest or other interest (including, without limitation, any adequate protection liens or security interests) whether existing on the Petition Date, arising pursuant to this Interim Order, or otherwise. The Debtors require the use of Cash Collateral to operate their businesses. Without the use of Cash Collateral, the Debtors will not be able to meet their cash requirements for working capital needs and fund the working capital needs of the other Debtors which would result in an immediate shutdown of the Debtors' businesses. The DIP Agent, the DIP Lenders, the Prepetition Agent, the Prepetition Lenders and OHAA (to the extent of the Secured OHAA Payment Obligations) do not consent to the use of Cash Collateral except on the terms and for the purposes specified herein.

G. Adequate Protection. The Adequate Protection Obligations (as defined below) are sufficient to protect the interests of the Adequate Protection Parties in the collateral securing the Prepetition Primed Obligations (as defined below) and no further adequate protection is required under section 363 or 364, or any other provision of the Bankruptcy Code.

H. Purpose and Necessity of DIP Financing. The Debtors assert the following: the Debtors require the financing described in the Motion and as expressly provided in the DIP Documents and by the Secured OHAA Payments (i) to pay costs, fees and expenses related to the execution and delivery of the DIP Loan Agreement and the consummation of the transactions contemplated under the DIP Loan Documents, (ii) to exchange certain of the Prepetition Loans for Roll-Up Loans, (iii) to provide working capital from time to time for the Debtors, (iv) for other general corporate purposes of the Debtors and, subject to the terms of this Interim Order and the DIP Documents, the Non-Debtor Subsidiary, (v), to pay the amounts the Debtors are required to pay under the Section 1110 Stipulation, to timely perform their obligations under the 777 Leases from and after the Petition Date and to cure any payment

defaults under the 777 Leases that are in existence as of the Petition Date (vi) to pay administration costs of these Chapter 11 Cases and claims or amounts approved by the Bankruptcy Court in accordance with the Approved Budget. If the Debtors do not obtain (a) authorization to borrow under the DIP Loan Agreement and the DIP Loans and (b) authorization to receive the Secured OHAA Payments and related OHAA Protections, the Debtors will suffer immediate and irreparable harm. The Debtors are unable to obtain adequate unsecured credit allowable as an administrative expense under section 503 of the Bankruptcy Code, or other financing under section 364(c) or (d) of the Bankruptcy Code, on terms equal to or more favorable than those set forth in the DIP Documents and the Section 1110 Stipulation. Credit in the amount provided by the DIP Documents and the OHAA Payments is not available to the Debtors without (x) granting the DIP Agent, for the benefit of the DIP Lenders and OHAA, to the extent of the Secured OHAA Payment Obligations, superpriority claims, liens, and security interests, pursuant to sections 364(c)(1), (2), (3), and 364(d) of the Bankruptcy Code, (y) granting the DIP Lenders the ability to exchange Prepetition Loans into Roll-Up Loans as a necessary inducement to, and a portion of the consideration for, providing the New Money Loans, and (z) obtaining the consent of the Prepetition Agent, the Prepetition Lenders and any other parties referred to in the prepetition collateral documents (the "Prepetition Secured Parties"), each as provided in this Interim Order and the DIP Documents. After considering all alternatives, the Debtors have concluded, in the exercise of their prudent business judgment, that the DIP Facility and the Secured OHAA Payments represent the best and only working capital financing available to them at this time. Additionally, the DIP Facility and the Secured OHAA Payments are the only loans available to the Debtors. Additionally, the terms of the DIP Financing, the Secured OHAA Payments and the use of Cash Collateral are fair and reasonable

and reflect the Debtors' exercise of prudent business judgment consistent with their fiduciary duties.

I. Good Cause. Based upon the record presented to the Court by the Debtors, it appears that the ability of the Debtors to obtain sufficient working capital and liquidity under the DIP Documents and by the Secured OHAA Payments, and use of Cash Collateral, is vital to the Debtors' estates and creditors. The Debtors assert that the financing to be provided under the DIP Documents, by the Secured OHAA Payments and through the use of the Cash Collateral will enable the Debtors to continue to operate their businesses in the ordinary course and preserve the value of their businesses. The Debtors' estates will be immediately and irreparably harmed if this Interim Order is not entered. Good cause has, therefore, been shown for the relief sought in the Motion.

J. Good Faith. The DIP Financing and the DIP Documents have been negotiated in good faith and at arm's length among the Debtors and the DIP Secured Parties, and all of the other DIP Obligations, shall be deemed to have been extended by each of the DIP Secured Parties and each of their affiliates in good faith, as that term is used in section 364(e) of the Bankruptcy Code and in express reliance upon the protections offered by section 364(e) of the Bankruptcy Code, and the DIP Obligations, the Postpetition Liens (as defined herein), the Superpriority Claim (as defined herein), and, to the extent applicable, the Adequate Protection Obligations shall be entitled to the full protection of section 364(e) of the Bankruptcy Code and the terms, conditions, benefits, and privileges of this Interim Order regardless of whether this Interim Order is subsequently reversed, vacated, modified, or otherwise is no longer in full force and effect or the Chapter 11 Cases are subsequently converted or dismissed, in each case, as of such date. The Secured OHAA Payments and the OHAA Protections have been negotiated in

good faith and at arm's length among the Debtors and the Oak Hill Entities, and the Secured OHAA Payments shall be deemed to have been extended by each of the Oak Hill Entities and their affiliates in good faith, as that term is used in section 364(e) of the Bankruptcy Code and in express reliance upon the protections offered by section 364(e) of the Bankruptcy Code, and the Postpetition Liens (as defined herein) and the Superpriority Claim (as defined herein), shall be entitled to the full protection of section 364(e) of the Bankruptcy Code and the terms, conditions, benefits, and privileges of this Interim Order regardless of whether this Interim Order is subsequently reversed, vacated, modified, or otherwise is no longer in full force and effect or the Chapter 11 Cases are subsequently converted or dismissed, in each case, as of such date.

K. Consideration. All of the Debtors will receive and have received fair consideration and reasonably equivalent value in exchange for access to the DIP Loans, the use of Cash Collateral, receipt of the Secured OHAA Payment Obligations and all other financial accommodations provided under the DIP Documents and this Interim Order.

L. Participation. Prior to the Petition Date, a term sheet with respect to the DIP Financing was made available to all Prepetition Lenders, and each Prepetition Lender was solicited and given the opportunity to become a DIP Lender thereunder after due deliberation and consideration.

M. Consent. Through their execution of the Support Agreement, the "Required Lenders" as defined in the Prepetition Credit Agreement, have consented to the DIP Financing, the Secured OHAA Payment Obligations and to the use of Cash Collateral, and have agreed to have their liens primed pursuant to the terms of this Interim Order.

N. Immediate Entry of Interim Order. The Debtors have requested immediate entry of this Interim Order pursuant to Bankruptcy Rule 4001(b)(2) and (c)(2). The

permission granted herein to enter into the DIP Documents and to obtain funds thereunder and with the Secured OHAA Payments, is necessary to avoid immediate and irreparable harm to the Debtors. This Court concludes that entry of this Interim Order is in the best interests of the Debtors and the Debtors' respective estates and creditors as its implementation will, among other things, allow for the continued flow of supplies and services to the Debtors necessary to sustain the operation of the Debtors' existing businesses and further enhance the Debtors' prospects for a successful restructuring. Based upon the foregoing findings, acknowledgments, and conclusions, and upon the record made before this Court at the Interim Hearing, and good and sufficient cause appearing therefor:

IT IS HEREBY ORDERED:

1. Disposition. The Motion is granted on an interim basis and on the terms set forth herein. Any objections to the Motion that have not previously been withdrawn, waived, settled, or resolved and all reservations of rights included therein are hereby denied and overruled on their merits with prejudice.

2. Effectiveness. This Interim Order shall constitute findings of fact and conclusions of law and shall take effect and be fully enforceable *nunc pro tunc* to the Petition Date immediately upon entry hereof. Notwithstanding Bankruptcy Rules 4001(a)(3), 6004(h), 6006(d), 7062, or 9024 or any other Bankruptcy Rule, or Rule 62(a) of the Federal Rules of Civil Procedure, this Interim Order shall be immediately effective and enforceable upon its entry and there shall be no stay of execution or effectiveness of this Interim Order.

3. Authorization of the DIP Financing and DIP Loan Agreement.

(a) The Debtors are hereby authorized to execute and enter into the DIP Documents. The DIP Documents and this Interim Order shall govern the financial and credit accommodations to be provided to the Debtors by the DIP Lenders.

(b) The Borrower is hereby authorized to borrow money pursuant to the DIP Documents, and the Guarantors are hereby authorized to guaranty (on a joint and several basis) all DIP Obligations, including up to an aggregate principal amount of up to $25,000,000 in New Money Loans (provided, however, that during the Interim Period no more than $12,500,000 may be borrowed pursuant to the New Money Loans), and $37,500,000 in Roll-Up Loans (plus interest, fees and other expenses and amounts provided for in the DIP Loan Agreement) in accordance with the terms of this Interim Order and the DIP Loan Agreement, which shall be used solely as expressly provided in the DIP Documents, including, without limitation, (i) to pay costs, fees and expenses related to the execution and delivery of the DIP Loan Agreement and the consummation of the transactions contemplated under the DIP Documents, (ii) to exchange certain of the Prepetition Loans for Roll-Up Loans, (iii) to provide working capital from time to time for the Debtors and to the extent expressly permitted by the DIP Loan Documents, the Non-Debtor Subsidiary, (iv) for other general corporate purposes of the Debtors , which shall include, reimbursement of the amounts payable to OHAA pursuant to Paragraph 35 of this Order and solely to the extent the Stipulation Approval Order has been entered and there has been no breach of the Section 1110 Stipulation, payment of the amounts the Debtors are required to pay under the Section 1110 Stipulation, and (v) to pay

administration costs of these Chapter 11 Cases and claims or amounts approved by the Bankruptcy Court and in accordance with the Approved Budget.

(c) In furtherance of the foregoing and without further approval of this Court, each Debtor is authorized to, and shall cause each other Debtor to, perform all acts, to make, execute and deliver all instruments and documents (including, without limitation, the execution or recordation of security agreements, mortgages and financing statements), and to pay all related fees that may be required or necessary for the Debtors' performance of their obligations under the DIP Financing, including, without limitation:

(i) the execution, delivery and performance of the DIP Documents, including, without limitation, the DIP Loan Agreement, any guarantees, any security and pledge agreements, and any mortgages contemplated thereby;

(ii) subject to Paragraph 12 hereof and the DIP Documents, the execution, delivery and performance of one or more amendments, waivers, consents, or other modifications to and under the DIP Documents for, among other things, the purpose of adding additional financial institutions as DIP Lenders and reallocating the New Money Loan Commitments for the DIP Financing among the DIP Lenders, in each case in such form as the Debtors, the DIP Agent and the Required Lenders may agree;

(iii) the non-refundable payments referred to in the DIP Documents, including the Equity Payment, the Cash Payment Upon Closing, the cash payment to the DIP Agent of the fees set forth in the Fee Letter, and other related costs, fees and expenses (including pursuant to the Fee Letter), and other costs and expenses as may be due in accordance with the DIP Documents; and

(iv) the performance of all other acts required under or in connection with the DIP Documents.

(d) The DIP Documents and DIP Obligations constitute valid, binding and non-avoidable obligations of the Debtors enforceable against each of them, and each of their successors and assigns, and each person or entity party to the DIP Documents in accordance with their respective terms and the terms of this Interim Order and shall survive conversion of the Chapter 11 Case of any Debtor to a case under chapter 7 of the Bankruptcy Code or after the dismissal of any case.

(e) Except with respect to the Roll-Up Loans as set forth in Paragraph 21 of this Interim Order, no obligation, payment, transfer, or grant of security under the DIP Documents, or this Interim Order shall be stayed, restrained, voidable, avoidable, or recoverable under the Bankruptcy Code or under any applicable law (including, without limitation, under section 502(d), 548 or 549 of the Bankruptcy Code or under any applicable state Uniform Fraudulent Transfer Act, Uniform Fraudulent Conveyance Act or similar statute or common law), or subject to any avoidance, reduction, setoff, recoupment, offset, recharacterization, subordination (whether equitable, contractual, or otherwise), counterclaims, cross-claims, defenses, disallowance, impairment, or any other challenges under the Bankruptcy Code or any other applicable foreign or domestic law or regulation by any person or entity.

(f) Subject to, and without limiting, Paragraph 21 below, the Roll-Up Loans are fully approved and authorized as compensation for, in consideration for, and solely on account of, the agreement of such DIP Lenders to make the New Money Loans and not as

payments under, adequate protection for, proceeds of collateral securing, or otherwise on account of, the Prepetition Loans.

4. Authorization of the Secured OHAA Payment Obligations

(a) This Interim Order and, following entry of the Stipulation Approval Order the Section 1110 Stipulation, shall govern the financial and credit accommodations to be provided to the Debtors by the Oak Hill Entities.

(b) The Debtors are hereby authorized to incur the Secured OHAA Payment Obligations (provided, however, that until entry of the Stipulation Approval Order, the Secured OHAA Payment Obligations shall not exceed $833,333.33, which shall be used solely as expressly provided in the DIP Documents).

(c) In furtherance of the foregoing and without further approval of this Court, each Debtor is authorized to, and shall cause each other Debtor to, perform all acts, to make, execute and deliver all instruments and documents (including, without limitation, the execution or recordation of security agreements, mortgages and financing statements), and to pay all related fees that may be required or necessary for the Debtors' performance of their obligations under the Secured OHAA Payment Obligations, (provided that the Debtors shall not otherwise be obligated to perform under the Section 1110 Stipulation until entry of the Stipulation Approval Order) including, without limitation, the execution, delivery and performance of documents related to the Secured OHAA Payment Obligations, including, without limitation, any security and pledge agreements, and any mortgages contemplated thereby.

(d) The Secured OHAA Payment Obligations constitute valid, binding and non-avoidable obligations of the Debtors enforceable against each of them, and each of

their successors and assigns, in accordance with the terms of this Interim Order and shall survive conversion of the Chapter 11 Case of any Debtor to a case under chapter 7 of the Bankruptcy Code or after the dismissal of any case.

(e) No obligation, payment, transfer, or grant of security under the Secured OHAA Payment Obligations or this Interim Order shall be stayed, restrained, voidable, avoidable, or recoverable under the Bankruptcy Code or under any applicable law (including, without limitation, under section 502(d), 548 or 549 of the Bankruptcy Code or under any applicable state Uniform Fraudulent Transfer Act, Uniform Fraudulent Conveyance Act or similar statute or common law), or subject to any avoidance, reduction, setoff, recoupment, offset, recharacterization, subordination (whether equitable, contractual, or otherwise), counterclaims, cross-claims, defenses, disallowance, impairment, or any other challenges under the Bankruptcy Code or any other applicable foreign or domestic law or regulation by any person or entity.

5. Carve-Out. Notwithstanding anything to the contrary herein, the Debtors' obligations to the DIP Lenders and, solely with respect to the Secured OHAA Payment Obligations, to Oak Hill Entities, the liens and superpriority claims granted herein and/or under the DIP Documents, including the Postpetition Liens (as defined below) and the Adequate Protection Obligations (as defined below), as well as the Prepetition Liens shall be subject and subordinate only to payment of the Carve-Out. For the purposes of this Interim Order "Carve-Out" shall mean, collectively, (i) all fees that are required to be paid to the clerk of the Bankruptcy Court and to the Office of the United States Trustee pursuant to 28 U.S.C. §1930(a), whether arising prior to or after the delivery of the Carve Out Trigger Notice (as defined below), and (ii) after the occurrence and during the continuance of an Event of Default, an amount equal

to (x) all reasonable and documented unpaid fees, costs, disbursements and expenses of professionals retained by the Debtors in the Chapter 11 Cases (collectively, the "Debtors' Professionals") that are incurred and earned prior to the first business day after the delivery of a Carve-Out Trigger Notice, are allowed by this Court under sections 105(a), 328, 330 or 331 of the Bankruptcy Code or otherwise (whether allowed by this Court prior to or after delivery of a Carve-Out Trigger Notice) and remain unpaid after application of any retainers and any available funds remaining in the Debtors' estates for such creditors and (B) all reasonable and documented unpaid fees and expenses of professionals retained by any statutory committees appointed in the Chapter 11 Cases (each, a "Committee") (collectively, the "Committee's Professionals") that are incurred and earned prior to the first business day after the delivery of a Carve-Out Trigger Notice, are allowed by this Court under sections 105(a), 330 or 331 of the Bankruptcy Code or otherwise (whether allowed by this Court prior to or after delivery of a Carve-Out Trigger Notice) and remain unpaid after application of any available funds remaining in the Debtors' estates for such creditors and (y) reasonable and documented unpaid fees, costs, disbursements, and expenses not to exceed $750,000 in the aggregate (the "Carve-Out Cap") that are incurred and earned by the Debtors' Professionals and the Committee's Professionals on or after the delivery of a Carve Out Trigger Notice are allowed by this Court under sections 105(a), 330 or 331 of the Bankruptcy Code or otherwise (whether allowed by this Court prior to or after delivery of a Carve-Out Trigger Notice) and remain unpaid after application of any available funds remaining in the Debtors' estates for such creditors; provided nothing herein shall be construed to impair the ability of any party to object to the fees, expenses, reimbursement or compensation described above. Following the delivery of a Carve Out Trigger Notice, the Debtors shall immediately establish the Carve-Out Account, which shall be utilized and treated

in accordance with the provisions of the DIP Loan Agreement. The term "Carve-Out Trigger Notice" shall mean a written notice delivered by the DIP Agent to the Borrower's lead counsel, counsel to the Prepetition Agent, the U.S. Trustee, counsel to the Oak Hill Entities, and lead counsel to any Committee, which notice may be delivered at any time following the occurrence and during the continuation of an Event of Default, expressly stating that the Carve-Out Cap is invoked. Notwithstanding the foregoing, so long as the Carve-Out Trigger Notice has not been delivered, the Borrower shall be permitted to pay, as the same may become due and payable, fees and expenses allowed and payable under 11 U.S.C. §§ 330 and 331, and the same shall not reduce the Carve-Out Cap.

6. Superpriority Claim. (a) Subject to the terms of the DIP Documents, the DIP Agent, for itself and for the benefit of the DIP Lenders and other DIP Secured Parties is hereby granted an allowed superpriority administrative expense claim (the "DIP Superpriority Claim") pursuant to section 364(c)(1) of the Bankruptcy Code for all DIP Obligations, and (b) subject to the terms of the DIP Documents and the Section 1110 Stipulation, the Oak Hill Entities are hereby granted an allowed superpriority administrative expense claim (the "OHAA Superpriority Claim" and together with the DIP Superpriority Claim, the "Superpriority Claims") pursuant to section 364(c)(1) of the Bankruptcy Code for all Secured OHAA Payment Obligations, such Superpriority Claims having priority over any and all other claims against the Debtors and their estates, now existing or hereafter arising, of any kind whatsoever, including, without limitation, all administrative expenses of the kinds specified in or arising or ordered under sections 105(a), 326, 328, 330, 331, 503(b), 506(c) (subject to entry of the Final Order), 507, 546(c), 726, 1113, and 1114 of the Bankruptcy Code, whether or not such expenses or claims may become secured by a judgment lien or other non-consensual lien, levy or attachment. The DIP Superpriority

Claim (subject to the terms of the DIP Documents) and the OHAA Superpriority Claim (subject to the terms of the DIP Documents and the Section 1110 Stipulation) (i) shall be payable from and have recourse to all prepetition and postpetition property of the Debtors and their estates and all proceeds thereof (in accordance with the priorities set forth in the DIP Loan Agreement) and (ii) shall not be subject to discharge under section 1141 of the Bankruptcy Code. The Superpriority Claims granted in this Paragraph shall be subject and subordinate in priority of payment only to the Carve-Out, but the DIP Superpriority Claim and the OHAA Superpriority Claim shall be *pari passu* with each other. Except as expressly set forth herein, unless the DIP Obligations and the Secured OHAA Payment Obligations have been satisfied in full, no other superpriority claims shall be granted or allowed in the Chapter 11 Cases.

7. Postpetition Liens.

(a) All of the Postpetition Liens and Adequate Protection Liens described herein shall be effective and perfected as of the Interim Order Entry Date and without the necessity of the execution of mortgages, security agreements, pledge agreements, financing statements or other agreements.

(b) To secure the DIP Obligations, the DIP Agent, for itself and the benefit of the DIP Lenders, is hereby granted:

i. a first priority, perfected security interest in, and lien, under section 364(c)(2) of the Bankruptcy Code, upon all of the Collateral of each Debtor and of each Debtor's estate that, on or as of the Petition Date, is not subject to valid, perfected, and non-avoidable liens, provided that such lien and security interest shall not extend to any escrow account funded with the proceeds of OHAA Payments;

ii. a junior lien, under section 364(c)(3) of the Bankruptcy Code, upon all of the Collateral of each Debtor and of each Debtor's estate that is, as of the Petition Date, subject to valid, perfected, and non-avoidable liens in favor of third parties except as set forth in subparagraph iii below; and

iii. a first priority, perfected priming security interest in, and lien, under section 364(d)(1) of the Bankruptcy Code, upon all Collateral that also constitutes Prepetition Collateral, in all cases senior to (A) the Existing Liens and (B) all other liens and obligations secured by the Prepetition Collateral on a junior basis to the Prepetition Liens (collectively the "Prepetition Primed Obligations" and the facilities under which such obligations arose, the "Existing Primed Secured Facilities"), but subject to Permitted Liens.

iv. The liens created as described in clauses i, ii, and iii above are collectively the "Postpetition DIP Liens"

(c) To secure the Secured OHAA Payment Obligations, the DIP Agent is hereby granted for the benefit of the Oak Hill Entities:

i. a first priority, perfected security interest in, and lien, under section 364(c)(2) of the Bankruptcy Code, upon all of the Collateral of each Debtor and of each Debtor's estate that, on or as of the Petition Date, is not subject to valid, perfected, and non-avoidable liens, provided that such lien and security interest shall not extend to any escrow account funded with the proceeds of the DIP Loans;

ii. a junior lien, under section 364(c)(3) of the Bankruptcy Code, upon all of the Collateral of each Debtor and of each Debtor's estate that is, as of the Petition Date, subject to valid, perfected, and non-avoidable liens in favor of third parties except as set forth in subparagraph iii below; and

iii. a first priority, perfected priming security interest in, and lien, under section 364(d)(1) of the Bankruptcy Code, upon all Collateral that also constitutes Prepetition Collateral, in all cases senior to (A) the Existing Liens and (B) the Prepetition Primed Obligations but subject to Permitted Liens.

iv. The liens created as described in clauses i, ii, and iii above are collectively the "Postpetition OHAA Liens" and together with the Postpetition DIP Liens, the "Postpetition Liens[5]."

(d) The Postpetition Liens shall cover all Collateral including property or assets that do not secure the Prepetition Primed Obligations, including, without limitation, subject to entry of the Final Order, the causes of action under sections 502(d), 544, 545, 547, 548, 549, 550 and 553 of the Bankruptcy Code (the "Avoidance Actions"), except as otherwise agreed to by the Required Lenders and the Oak Hill Entities or provided under the DIP Documents.

(e) The Postpetition Liens shall be effective immediately upon the entry of this Interim Order.

(f) Except as provided in this Interim Order or the DIP Documents, the Postpetition Liens shall not at any time be (i) made subject or subordinate to, or made *pari passu* with any other lien, security interest or claim existing as of the Petition Date (other than Permitted Liens), or created under section 363 or 364(d) of the Bankruptcy Code or otherwise, or (ii) subject to any lien or security interest that is avoided and preserved for the benefit of the Debtors' estates under section 551 of the Bankruptcy Code.

[5] Notwithstanding the use of the separate terms Postpetition DIP Liens, Postpetition OHAA Liens, and Postpetition Liens in this Interim Order, nothing in this Interim Order shall affect the grant of a single lien to the DIP Agent on behalf of itself, the DIP Lenders, and the Oak Hill Entities under the Security Agreement.

(g) The Postpetition Liens shall be and hereby are fully perfected liens and security interests, effective and perfected upon the date of this Interim Order without the necessity of execution by the Debtors of mortgages, security agreements, pledge agreements, financing agreements, financing statements or other agreements, such that no additional steps need be taken by the DIP Agent, the DIP Lenders or the Oak Hill Entities to perfect such interests. In the event the DIP Agent executes any collateral or security documentation with respect to the Postpetition DIP Liens, such collateral or security documentation shall also be deemed to benefit (on a *pari passu* basis) the Postpetition OHAA Liens. Subject to entry of the Final Order, and subject to applicable non-bankruptcy law, any provision of any lease, loan document, easement, use agreement, proffer, covenant, license, contract, organizational document, or other instrument or agreement that requires the consent or approval of one or more landlords, licensors, or other parties, or requires the payment of any fees or obligations to any governmental entity, non-governmental entity or any other person, in order for any of the Debtors to pledge, grant, mortgage, sell, assign, or otherwise transfer any fee or leasehold interest or the proceeds thereof or other collateral, shall have no force or effect with respect to the transactions granting the DIP Agent, for itself and the benefit of the DIP Lenders and the other DIP Secured Parties and the Oak Hill Entities a priority security interest in the Debtors' interest in such fee, leasehold or other interest or other collateral or the proceeds of any assignment, sale or other transfer thereof, by any of the Debtors in favor of the DIP Agent, for itself and the benefit of the DIP Lenders and the other DIP Secured Parties or the Oak Hill Entities, in accordance with the terms of the DIP Loan Agreement, the other DIP Documents and this Interim Order.

(h) The Postpetition DIP Liens, the DIP Superpriority Claim, and other rights, benefits, and remedies granted under this Interim Order to the DIP Agent, for itself and the benefit of the DIP Lenders and the other DIP Secured Parties, shall continue in the Chapter 11 Cases, in any superseding case or cases under the Bankruptcy Code resulting from conversion of one or more of the Chapter 11 Cases (a "Superseding Case") and following any dismissal of the Chapter 11 Cases, and such liens and claims shall maintain their priority as provided in this Interim Order until all the DIP Obligations have been indefeasibly and completely satisfied and the DIP Loans have been terminated in accordance with the DIP Documents. The Postpetition OHAA Liens, Superpriority OHAA Claim, and other rights, benefits, and remedies granted under this Interim Order to the Oak Hill Entities with respect to the Secured OHAA Payment Obligations, shall continue in the Chapter 11 Cases, any Superseding Case, and following any dismissal of the Chapter 11 Cases, and such liens and claims shall maintain their priority as provided in this Interim Order until all Secured OHAA Payment obligations have been indefeasibly and completely satisfied and all obligations of the Oak Hill Entities to make any Secured OHAA Payments have been terminated in accordance with the Section 1110 Stipulation.

8. Secured OHAA Payment Obligations. Subject to the terms of this Interim Order, the Secured OHAA Payment Obligations, shall receive a ratable distribution, *pari passu* with the DIP Loans, upon any realization of Collateral, on the terms set forth in the DIP Loan Documents.

9. Authorization to Use Cash Collateral. Subject to the terms of this Interim Order and the DIP Documents, the Debtors are authorized to use Cash Collateral in which the Prepetition Agent, for the benefit of itself and the Prepetition Lenders, respectively, may have an interest, in accordance with the terms, conditions, and limitations set forth in this Interim Order and/or the DIP Documents. Any dispute in connection with the use of Cash Collateral shall be

heard by the Court. Notwithstanding anything in this Interim Order to the contrary, the Debtors' authority to use Cash Collateral hereunder shall not begin until such time as all conditions precedent to initial borrowing under the DIP Facility have been satisfied and shall terminate without any further action by this Court or the DIP Agent, and the Debtors shall be prohibited, without the necessity of further Court order, from using such Cash Collateral hereunder upon the earliest to occur of (the "Cash Collateral Termination Date"): (a) the Final Order Entry Date shall not have occurred within 45 days after the Interim Order Entry Date (or such later date as shall be agreed to by the DIP Agent in writing), (b) such earlier date on which the DIP Loans shall become due and payable in accordance with the terms of this Interim Order and/or the DIP Documents, following the expiration of any applicable grace and notice provision, and (c) the date on which all New Money Loan Commitments have been terminated under this Interim Order and/or the DIP Documents as a result of the occurrence of an Event of Default.

10. Fees. All payments and fees paid and payable, and costs and/or expenses reimbursed or reimbursable by the Debtors to the DIP Agent under the DIP Documents and to the Prepetition Agent under the Prepetition Credit Agreement are hereby approved. The Debtors shall promptly pay all such fees, costs, and expenses on demand, without the necessity of any further application with the Court for approval or payment of such fees, costs or expenses. The Debtors shall promptly pay such fees and expenses (other than the fees of Professionals (as defined below)) within five (5) business days of delivery of an invoice to the Debtors. Such fees shall, upon payment, be deemed fully earned, non-refundable, irrevocable, and non-avoidable. Notwithstanding anything to the contrary herein, the fees, costs and expenses of the DIP Agent and DIP Lenders under the DIP Documents whether incurred prior to or after the Petition Date, including, without limitation, the Equity Payment, the Cash Payment Upon Closing, and the cash

payment to the DIP Agent for its services in such capacity, and other related costs, fees and expenses referenced in Section 3.3 of the DIP Loan Agreement (including pursuant to the Fee Letter), shall be deemed fully earned, indefeasibly paid, non-refundable, irrevocable, and non-avoidable as of the date of this Interim Order and, irrespective of any subsequent order approving or denying the DIP Financing or any other financing pursuant to section 364 of the Bankruptcy Code, fully entitled to all protections of section 364(e) of the Bankruptcy Code. All unpaid fees, costs, and expenses payable under the DIP Documents to the DIP Agent shall be included and constitute part of the DIP Obligations and be secured by the Postpetition Liens. With respect to the fees, costs and expenses of any professional retained as provided for in the DIP Documents or whose fees, costs, and expenses are contemplated to be paid as an Adequate Protection Obligation hereunder (each, a "Professional"), the Debtors are hereby authorized and directed to pay all fees, costs, and expenses of such Professional in accordance with the terms of the DIP Documents and this Interim Order, without the necessity of any further application with the Court for approval or payment of such fees, costs or expenses. Payments of such fees, costs, and expenses shall be made on the tenth (10th) business day after delivery of an invoice to the Debtors, unless an objection to the payment of such invoice has been previously filed with this Court; provided that this Court reserves jurisdiction to resolve any and all disputes regarding such fees, costs, and expenses whether before or after such payment is made; and provided further that any fees and expenses that are not subject to an objection shall be deemed approved and non-refundable for all purposes and all fees, costs, and expenses subject to objection shall be deemed approved and non-refundable only to the extent provided for by a subsequent order of this Court.

11. Authority to Execute and Deliver Necessary Documents.

(a) All of the Postpetition Liens and Adequate Protection Liens with respect to the assets of the Debtors shall be effective and perfected as of the Interim Order Entry Date and without the necessity of the execution of mortgages, security agreements, pledge agreements, financing statements or other agreements.

(b) Each of the Debtors is hereby further authorized and directed to (i) perform all of its obligations under the DIP Documents, and such other agreements as may be required by the DIP Documents to give effect to the terms of the financing provided for in the DIP Documents and in this Interim Order, and (ii) perform all acts required under the DIP Documents and this Interim Order, including with respect to the Secured OHAA Payment Obligations.

(c) Upon the request of the DIP Agent, the Debtors are directed to make, execute and deliver such instruments (in each case without representation or warranty of any kind) to enable the DIP Agent to further perfect, preserve, and enforce the Postpetition Liens and the DIP Obligations.

(d) The Debtors shall cause their subsidiaries to execute all documents and take all actions required to effectuate DIP Documents, including, without limitation, executing all instruments which may be requested by the DIP Agent.

(e) All DIP Obligations and the Secured OHAA Payment Obligations shall constitute valid and binding obligations of each of the Debtors enforceable against each of them, and each of their successors and assigns, in accordance with their terms and the terms of this Interim Order, subject, solely with respect to Roll-Up Loans, to Paragraph 21 of this Interim Order. No obligation, payment, transfer, or grant of a security under the DIP

Documents, this Interim Order, or with respect to the Secured OHAA Payment Obligations shall be stayed, restrained, voidable, or recoverable under the Bankruptcy Code or under any applicable law or subject to avoidance, reduction, setoff, recoupment, offset, recharacterization, subordination (whether equitable, contractual, or otherwise), counterclaims, cross-claims, defenses, disallowance, impairment, or any other challenges under the Bankruptcy Code or any other applicable foreign or domestic law or regulation by any person or entity, subject, solely with respect to Roll-Up Loans, to Paragraph 21 of this Interim Order.

12. Amendments, Consents, Waivers, and Modifications. The Debtors, with the express written consent of the DIP Agent (and any other consents required under the DIP Documents) may enter into (a) any amendments, consents, waivers, or modifications to the DIP Documents that are not materially adverse to the Debtors without the need for further notice and hearing or any order of this Court (provided, however, that a copy of any such amendment, consent, waiver or other modification shall be filed by the Debtors with this Court and served by the Debtors on the U.S. Trustee and the Committee), and (b) any amendments, consents, waivers, or modifications to the DIP Documents that are materially adverse to the Debtors only after notice and a hearing before this Court. No such consent shall be implied by any other action, inaction, or acquiescence of the DIP Agent, any DIP Lender or the Oak Hill Entities.

13. Adequate Protection for Prepetition Lenders. The Prepetition Agent for the benefit of itself and the Prepetition Lenders that hold the Prepetition Primed Obligations shall be granted as adequate protection (collectively, the "Prepetition Protection"), pursuant to sections 361, 363(e), 364(d)(1) and 507 of the Bankruptcy Code or otherwise, for the consent of such Prepetition Secured Parties to the priming effectuated by the DIP Facility and incurring the

Secured OHAA Payment Obligations, consent to the use of their collateral (including Cash Collateral) and the consent to the transactions contemplated by the DIP Facility and the Section 1110 Stipulation, on account of and to the extent of diminution in the value (each such diminution, a "Diminution in Value"), if any, of the prepetition security interests of such party resulting from the automatic stay, or the use, sale, lease or grant by the Debtors of the collateral securing the Prepetition Primed Obligations (including, without limitation, Cash Collateral), the priming of the prepetition security interests of such Prepetition Secured Parties and the stay of enforcement of any prepetition security interest arising from section 362 of the Bankruptcy Code, or otherwise the following ((a) through (c) below shall be referred to collectively as the "Adequate Protection Obligations"):

(a) Adequate Protection Liens. As adequate protection for the Diminution in Value, and in accordance with sections 361, 363(e), and 364(d) of the Bankruptcy Code, and solely to the extent of any such Diminution in Value, the Prepetition Agent is hereby granted (effective and perfected upon the date of this Interim Order and without the necessity of execution by the Debtors of mortgages, security agreements, pledge agreements, financing statements, or other agreements), for the benefit of the Prepetition Secured Parties, valid, perfected, postpetition security interests in and liens (the "Adequate Protection Liens") on all of the Collateral of the Debtors and their estates, to secure an amount equal to the Diminution in Value of the respective interests, if any, of the Prepetition Secured Parties in the Prepetition Collateral; provided, however, that, notwithstanding anything to the contrary, the Adequate Protection Liens shall only be and remain subject and subordinate to (i) the Permitted Liens, (ii) the Postpetition Liens (including Postpetition Liens securing the Roll-Up Loans), and (iii) after the Carve-Out

Trigger Notice, the Carve-Out. Except as provided in this subparagraph 13(a), the Adequate Protection Liens shall not at any time be (x) made subject or subordinate to, or made *pari passu* with any other lien, security interest or claim existing as of the Petition Date, or created under sections 363 or 364(d) of the Bankruptcy Code or otherwise or (y) subject to Paragraph 21 hereof, subject to any lien or security interest that is avoided and preserved for the benefit of the Debtors' estates under section 551 of the Bankruptcy Code.

(b) Section 507(b) Claim. To the extent entitled thereto under section 507(b) of the Bankruptcy Code, the Prepetition Agent under the Prepetition Senior Credit Facility, on behalf of itself and the Prepetition Secured Parties, shall be granted, subject, after the Carve-Out Trigger Notice, to the payment of the Carve-Out, a superpriority administrative expense claim immediately junior to the Superpriority Claims; provided that no entity shall receive or retain any payments, property, or other amounts in respect of superpriority claims relating to such Prepetition Primed Obligations unless and until the DIP Obligations, including, without limitation, the Roll-Up Loans, and the Secured OHAA Payment Obligations have indefeasibly been paid in cash in full.

(c) As further adequate protection for the use of the Prepetition Collateral (including Cash Collateral) by the Debtors, and in accordance with sections 361, 363(e), and 364(d) of the Bankruptcy Code, the Prepetition Agent or the respective professional identified below shall receive from the Debtors:

i. Fees and Expenses. Subject to Paragraph 10 hereof, current cash payments payable under the Prepetition Senior Credit Facilities shall be made to the Prepetition Agent under the Prepetition Senior Credit Facilities (for the benefit of the Prepetition Lenders thereunder) for all reasonable professional fees and expenses payable to the Prepetition Agent under the Prepetition Senior

Credit Facility, including, but not limited to, the reasonable fees and disbursements of (A) Milbank, Tweed, Hadley & McCloy LLP, (B) Delaware counsel for the Prepetition Agent, (C) any other local counsel retained by the Prepetition Agent, (D) Pillsbury Winthrop Shaw Pittman LLP and any other Department of Transportation, Federal Aviation Administration, or other appropriate regulatory counsel, and (E) a financial advisor, FTI Consulting, for the Prepetition Agent; and

ii. Financial Reporting. The Debtors shall provide the Prepetition Agent with any reporting described herein and the DIP Documents.

14. Perfection of Postpetition Liens and Adequate Protection Liens.

(a) The DIP Agent, the Oak Hill Entities, and the Prepetition Agent are hereby authorized, but not required, to file or record financing statements, trademark filings, copyright filings, mortgages, notices of lien or similar instruments in any jurisdiction, or take possession of or control over, or take any other action in order to validate and perfect the liens and security interests granted to them hereunder, in each case without the necessity to pay any mortgage recording fee or similar fee or tax. Whether or not the DIP Agent on behalf of itself, the DIP Lenders and other DIP Secured Parties, the Oak Hill Entities, and the Prepetition Agent on behalf of the Prepetition Secured Parties shall, in their sole discretion, choose to file such financing statements, trademark filings, copyright filings, mortgages, notices of lien or similar instruments, or take possession of or control over, or otherwise confirm perfection of the liens and security interests granted to them hereunder, such liens and security interests shall be deemed valid, perfected, allowed, enforceable, non-avoidable, and not subject to challenge, dispute or subordination, at the time and on the date of entry of this Interim Order. The Debtors shall, if requested, execute and deliver to the DIP Agent, the Oak Hill Entities, and the Prepetition Agent all such agreements, financing statements, instruments and other documents as the DIP Agent, Oak Hill Entities, and/or the

Prepetition Agent may reasonably request to more fully evidence, confirm, validate, perfect, preserve, and enforce the Postpetition Liens and the Adequate Protection Liens, and all such documents will be deemed to have been recorded and filed as of the Petition Date.

(b) A certified copy of this Interim Order may, in the discretion of the DIP Agent, the Oak Hill Entities and/or the Prepetition Agent, be filed with or recorded in filing or recording offices in addition to or in lieu of such financing statements, mortgages, notices of lien, or similar instruments, and all filing offices are hereby authorized to accept such certified copy of this Interim Order for filing and recording.

(c) Upon entry of a Final Order providing for such relief, any provision of any lease or other license, contract, or other agreement that requires (i) the consent or approval of one or more landlords or other parties or (ii) the payment of any fees or obligations to any governmental entity in order for any Debtor to pledge, grant, sell, assign, or otherwise transfer any interest in such lease, license, contract or other agreement or the proceeds thereof, or other postpetition collateral related thereto, is hereby deemed to be inconsistent with the applicable provisions of the Bankruptcy Code. Any such provision shall have no force and effect with respect to the transactions granting postpetition liens, any interest in such lease, license, contract or other agreement or the proceeds of any assignment and/or sale thereof by any Debtor in favor of the DIP Lenders in accordance with the terms of the DIP Documents or this Interim Order.

15. Access to Collateral. Notwithstanding anything contained herein to the contrary, and without limiting any other rights or remedies of the DIP Agent, the DIP Lenders, or the Oak Hill Entities contained in this Interim Order or the DIP Documents, or otherwise available at law

or in equity, and subject to the terms of the DIP Documents, upon entry of a Final Order granting such relief, upon five (5) business days' written notice to the landlord, lienholder, licensor, or other third-party owner of any leased or licensed premises or intellectual property that an Event of Default under the DIP Documents or a default by any of the Debtors of any of their obligations under this Interim Order has occurred and is continuing, the DIP Agent (i) may, only subject to any separate agreement by and between the applicable landlord or licensor (the terms of which shall be reasonably acceptable to the parties thereto), enter upon any leased or licensed premises of any of the Debtors for the purpose of exercising any remedy with respect to Collateral located thereon and (ii) subject to applicable law, shall be entitled to all of the Debtors' rights and privileges as lessee or licensee under the applicable license and to use any and all trademarks, trade-names, copyrights, licenses, patents or any other similar assets of the Debtors, which are owned by or subject to a lien of any third-party and which are used by the Debtors in their businesses, in either the case of subparagraph (i) or (ii) of this Paragraph without interference from lienholders or licensors thereunder; provided, however, that the DIP Agent shall pay only rent and additional rent, fees, royalties or other obligations of the Debtors that first arise after the DIP Agent's written notice referenced above and that are payable during the period of such occupancy or use by the DIP Agent, as the case may be, calculated on a *per diem* basis. To the extent applicable law prohibits the foregoing access or use of rights, the DIP Agent shall have the right to an expedited hearing on five (5) business days' notice to obtain Court authorization to obtain such access and/or use such rights. Nothing herein shall require the Debtors or the DIP Agent to assume or assign any lease or license under section 365(a) of the Bankruptcy Code as a precondition to the rights afforded to the DIP Agent in this Paragraph.

16. Cash Management Systems. The Debtors are authorized to maintain their cash management system in a manner consistent with the DIP Documents, and the order of this Court approving the maintenance of the Debtors' cash management system; provided, however, that such order is on terms and conditions (i) reasonably acceptable to the DIP Agent, and (ii) to the extent that it is not inconsistent with the terms specified herein, consistent with the DIP Documents.

17. Automatic Stay Modified. The automatic stay provisions of section 362 of the Bankruptcy Code hereby are vacated and modified without the need for any further order of this Court to allow the DIP Agent:

(a) whether or not an Event of Default under the DIP Documents has occurred, to require all cash, checks, or other collections or proceeds from Collateral received by any of the Debtors to be deposited in accordance with the requirements of the DIP Documents, and to apply any amounts so deposited and other amounts paid to or received by the DIP Agent and the DIP Lenders under the DIP Documents and to the Oak Hill Entities under the Secured OHAA Payment Obligations, in each case in accordance with any requirements of the DIP Documents without further order of this Court; and

(b) following an Event of Default under the DIP Documents, the DIP Agent is authorized to exercise any and all of its rights and remedies in accordance with the terms of the DIP Documents, and to take all actions required or permitted by the DIP Documents without necessity of further Court orders; provided that the DIP Agent shall give five (5) business days' prior notice to the Borrower, the U.S. Trustee, OHAA and the Committee of such action; provided further, however, that this Interim Order shall not prejudice the rights of any party-in-interest to oppose the exercise of the DIP Agent's, the

DIP Lenders', or the Oak Hill Entities' remedies; provided further, that the only issue that may be raised by any entity in opposition thereto shall be whether an Event of Default has in fact occurred and is continuing.

(c) following an "Event of Default" under (and as defined in) the Section 1110 Stipulation, the Oak Hill Entities are authorized to exercise any and all rights they possess under the Section 1110 Stipulation, and to take all actions required or permitted by the Section 1110 Stipulation without necessity of further Court orders; provided that the Oak Hill Entities shall give three (3) business days' prior notice to the Borrower, the U.S. Trustee, the DIP Agent, and the Committee of such action; provided further, however, that this Interim Order shall not prejudice the rights of any party-in-interest to oppose the exercise of the Oak Hill Entities' remedies thereunder.

18. Subsequent Reversal or Modification. This Interim Order is entered pursuant to, *inter alia*, section 364 of the Bankruptcy Code, and Bankruptcy Rules 4001(b) and (c), granting the DIP Lenders and the Oak Hill Entities (solely with respect to the Secured OHAA Payment Obligations) all protections afforded by section 364(e) of the Bankruptcy Code. If any or all of the provisions of this Interim Order are hereafter reversed, modified, vacated or stayed, that action will not affect (i) the validity of any obligation, indebtedness or liability incurred hereunder by any of the Debtor to the DIP Agent, the DIP Lenders, and the Oak Hill Entities (solely with respect to the Secured OHAA Payment Obligations) prior to the date of receipt by the DIP Agent of written notice of the effective date of such action, (ii) the payment of any fees required under this Interim Order or the DIP Documents, and/or (iii) the validity and enforceability of any lien, claim, obligation, or priority authorized or created under this Interim Order or pursuant to the DIP Documents as of such date. Notwithstanding any such reversal,

stay, modification, or vacatur, any postpetition indebtedness, obligation or liability incurred by any of the Debtors to the DIP Agent, the DIP Lenders, and/or the Oak Hill Entities (solely with respect to the Secured OHAA Payment Obligations) prior to written notice being delivered to the DIP Agent of the effective date of such action, shall be governed in all respects by the original provisions of this Interim Order unless the Final Order has been entered, in which case the Final Order shall govern, and the DIP Agent, the DIP Lenders, and the Oak Hill Entities shall be entitled to all the rights, remedies, privileges, and benefits granted herein and in the DIP Documents and such order with respect to all such indebtedness, obligations or liability.

19. Restriction on Use of Funds. Notwithstanding anything herein to the contrary, no Collateral, proceeds thereof, Cash Collateral, Prepetition Collateral, proceeds thereof, proceeds of the DIP Financing, any Secured OHAA Payment Obligations or any portion of the Carve-Out may be used by any of the Debtors, the Debtors' estates, any Committee, any trustee or examiner appointed in the Chapter 11 Cases or any chapter 7 trustee, or any other person, party or entity to, in any jurisdiction anywhere in the world, directly or indirectly (a) request authorization to obtain postpetition financing (whether equity or debt) or other financial accommodations pursuant to section 364(c) or (d) of the Bankruptcy Code, or otherwise, other than (i) from the DIP Agent or (ii) if such financing is sufficient to indefeasibly pay all DIP Obligations in full in cash and such financing is immediately so used; (b) assert, join, commence, support, investigate, or prosecute any action for any claim, counter-claim, action, cause of action, proceeding, application, motion, objection, defense, or other contested matter seeking any order, judgment, determination, or similar relief against, or adverse to the interests of, in any capacity, the Releasees, with respect to any transaction, occurrence, omission, or action, including, without limitation, (i) any action arising under the Bankruptcy Code; (ii) any so-called "lender liability"

claims and causes of action; (iii) any action with respect to the legality, enforceability, validity, extent, perfection, and priority of the DIP Obligations, the Superpriority Claim, the Adequate Protection Obligations, any and all obligations under the Prepetition Senior Credit Facilities, or any related documents, or the legality, enforceability, validity, extent, perfection, and priority of the Postpetition Liens, the Prepetition Liens, or the Adequate Protection Liens; (iv) any action seeking to invalidate, set aside, avoid, reduce, set off, offset, recharacterize, subordinate (whether equitable, contractual, or otherwise), recoup against, disallow, impair, raise any defenses, cross-claims, or counterclaims or raise any other challenges under the Bankruptcy Code or any other applicable domestic or foreign law or regulation against or with respect to the Postpetition Liens, the Superpriority Claim, the Prepetition Liens, the Adequate Protection Obligations, or any other obligations under the Prepetition Senior Credit Facilities in whole or in part; (v) any action seeking to appeal or otherwise challenge this Interim Order, the DIP Documents, the Secured OHAA Payment Obligations or any of the transactions contemplated herein or therein; and/or (vi) any action that has the effect of preventing, hindering, or delaying (whether directly or indirectly) the DIP Agent, the DIP Lenders, the Oak Hill Entities, the Prepetition Agent, and the Prepetition Secured Parties in respect of their liens and security interests in the Collateral or the Prepetition Collateral or any of their rights, powers, or benefits hereunder or in the Prepetition Credit Agreement or the DIP Documents anywhere in the world; and/or (c) pay any claim of a prepetition creditor except in accordance with the DIP Documents; provided, however, that the Committee may use (in accordance with the DIP Documents) up to $25,000 (the "Investigation Fund") to investigate the liens and claims against the Prepetition Agent and Prepetition Secured Parties under the Prepetition Documents under this Interim Order but may not use the Investigation Fund to initiate, assert, join, commence, support, or prosecute any

actions or discovery with respect thereto. For the avoidance of doubt, any and all claims (x) incurred by the Committee in excess of the Investigation Fund or (y) incurred by any professional persons or any party on account of professional fees and expenses that exceed the applicable amounts set forth in the Approved Budget shall not constitute an allowed administrative expense claim for purposes of section 1129(a)(9)(A) of the Bankruptcy Code, and such claims shall not be satisfied by the Carve-Out, Collateral (including, without limitation, any Cash Collateral), proceeds of the Secured OHAA Payment Obligations or proceeds of the New Money Loans and shall be satisfied solely from unencumbered assets reducing recoveries to the holders of unsecured claims (other than any deficiency claim held by the Prepetition Lenders). The DIP Agent, the DIP Lenders, and the Oak Hill Entities reserve the right to object to, contest or otherwise challenge any claim incurred in connection with any activities described in subclause (b) of this Paragraph 19 (other than as permitted in connection with the Investigation Fund in an amount not exceeding such Investigation Fund) on the ground that such claim should not be allowed, treated or payable as an administrative expense claim for purposes of section 1129(a)(9)(A) of the Bankruptcy Code.

20. Priming and Subordination of Liens. Notwithstanding anything to the contrary herein, all liens on the Collateral of the Debtors and their estates in existence on the date hereof (other than the Permitted Liens) shall be primed by the Postpetition Liens and the Adequate Protection Liens, and shall be subordinate to the Postpetition Liens and the Adequate Protection Liens.

21. Claims Stipulation Investigation Period Reservation of Rights. Except as expressly set forth below in the immediately following sentence, the stipulations set forth in Paragraph E of this Interim Order (together the "Claims Stipulation") and all of the terms and

conditions hereof shall be irrevocably binding on all persons and entities. Notwithstanding anything herein or in the DIP Documents to the contrary, the Committee, if formed, shall have 60 days from the date it is formed, and all other parties in interest shall have 75 days from the Petition Date (in each case, as such date may be extended by the Required Lenders or by the Court for cause shown, the "Investigation Termination Date"), to investigate the accuracy of the Claims Stipulation;[6] provided, however, that nothing contained in this Paragraph shall alter the restrictions contained in Paragraph 19 hereof. Any assertion of claims or causes of action of the Debtors or their estates against any of the Prepetition Agent or the Prepetition Secured Parties must be made by, on or before the Investigation Termination Date, (i) filing a motion to obtain standing to pursue such an action (which motion attaches the complaint or pleading that would initiate such action) and (ii) subject to obtaining standing, properly commencing an adversary proceeding. Each Claims Stipulation shall remain binding and in full force and effect until a final order has been entered invalidating such Claims Stipulation, and following the entry of such a final order, such Claims Stipulation shall be invalidated only to the extent provided for in such final order. If no such action or motion is filed on or before the Investigation Termination Date, all persons and entities shall be forever barred from bringing or taking such action and the Claims Stipulations shall be permanently and irrevocably binding upon all persons and entities. Any Claims Stipulation that is not expressly challenged in an adversary proceeding (or with respect to which authority to obtain standing has not been requested as set forth above) before the Investigation Termination Date shall remain in full force and effect and shall permanently and irrevocably bind all entities and persons, despite the filing of any other adversary proceeding

[6] Nothing herein shall be interpreted as conferring on any person or entity standing to pursue any claim, cause of action or any other action on behalf of the Debtors or their respective estates or any of the other Debtors.

or motion in accordance with this Paragraph. Notwithstanding anything to the contrary herein, if prior to the Investigation Termination Date the Chapter 11 Cases are converted to chapter 7 or if a trustee is appointed in the Chapter 11 Cases, the Investigation Termination Date shall be extended for an additional 60 days from the date of the conversion of the Chapter 11 Cases to chapter 7 or the date of the appointment of the chapter 11 trustee, as applicable.

22. Collateral Rights. Except as expressly permitted in this Interim Order or the DIP Documents, in the event that any person or entity that holds a lien or security interest in Collateral of the Debtors' estates, or Prepetition Collateral that is junior and/or subordinate to the Postpetition Liens in such Collateral or Prepetition Collateral receives or is paid the proceeds of such Collateral or Prepetition Collateral, or receives any other payment with respect thereto from any other source, prior to indefeasible satisfaction of all DIP Obligations under the DIP Documents and the Prepetition Obligations under the Prepetition Credit Agreement, and termination of the Commitments in accordance with the DIP Documents and the Prepetition Credit Agreement, and the indefeasible satisfaction of the Secured OHAA Payment Obligations, such junior or subordinate lienholder shall be deemed to have received, and shall hold, the proceeds of any such Collateral of the Debtors' estates, in trust for the benefit of the DIP Agent, the DIP Lenders, the Oak Hill Entities, the Prepetition Agent and the Prepetition Lenders and shall immediately turn over such proceeds to the DIP Agent for application in accordance with the DIP Documents and this Interim Order.

23. Prohibition on Additional Liens. Except as provided in the DIP Documents and/or this Interim Order, the Debtors shall be enjoined and prohibited from, at any time during the Chapter 11 Cases until such time as the DIP Obligations have been indefeasibly paid in full and the Secured OHAA Payment Obligations have been indefeasibly paid in full, granting liens

on the Collateral or any portion thereof to any other entities, pursuant to section 364(d) of the Bankruptcy Code or otherwise, which liens are senior to, or *pari passu* with, the Postpetition Liens, the Adequate Protection Liens, and the Prepetition Liens.

24. No Waiver. This Interim Order shall not be construed in any way as a waiver or relinquishment of any rights that the DIP Agent, the DIP Lenders, the Oak Hill Entities, the Prepetition Agent, the Prepetition Lenders, or the other Prepetition Secured Parties may have to bring or be heard on any matter brought before this Court.

25. Sale/Conversion/Dismissal/Plan.

(a) The proceeds of any sale of the ownership of the stock of the Debtors or their affiliates or the sale of all or substantially all of the assets of the Debtors under section 363 of the Bankruptcy Code shall be used to satisfy in cash the DIP Obligations and the Secured OHAA Payment Obligations in accordance with and to the extent provided for under the DIP Documents.

(b) Notwithstanding the entry of any order dismissing or converting any of these cases (under sections 305 or 1112 of the Bankruptcy Code or otherwise) or an order appointing a chapter 11 trustee or an examiner with expanded powers, (i) the Postpetition Liens, Superpriority Claim, and the Adequate Protection Obligations granted hereunder and in the DIP Documents shall continue in full force and effect, remain binding on all parties-in-interest, and maintain their priorities as provided in this Interim Order until all DIP Obligations and Adequate Protection Obligations are indefeasibly and completely satisfied and the commitments under the DIP Documents are terminated in accordance with the DIP Documents and the Secured OHAA Payment Obligations shall have been indefeasibly and completely satisfied in full and the obligation of the Oak Hill Entities to

make Secured OHAA Payments is terminated in accordance with the Section 1110 Stipulation, (ii) to the extent permitted by applicable law, this Court shall retain jurisdiction, notwithstanding such dismissal, for purposes of enforcing the Postpetition Liens, the Adequate Protection Liens, the Superpriority Claims, and the Adequate Protection Obligations, and (iii) all postpetition indebtedness, obligations or liability incurred by any of the Debtors to the DIP Agent, the DIP Lenders, the Oak Hill Entities (solely withy respect to the Secured OHAA Payment Obligations), the Prepetition Agent, the Prepetition Lenders and the Prepetition Secured Parties prior to the date of such order, including, without limitation, the DIP Obligations, shall be governed in all respects by the original provisions of this Interim Order unless the Final Order has been entered, in which case the Final Order shall govern, and the DIP Agent, the DIP Lenders, the Oak Hill Entities , the Prepetition Agent, the Prepetition Lenders, and the Prepetition Secured Parties shall be entitled to all the rights, remedies, privileges, and benefits granted herein and in the DIP Documents with respect to all such indebtedness, obligations or liability.

26. Priority of Terms. To the extent of any conflict between or among (a) the express terms or provisions of any of the DIP Documents, the Motion, any other order of this Court, or any other agreements, on the one hand, and (b) the terms and provisions of this Interim Order, on the other hand, unless such term or provision herein is phrased in terms of "as defined in" or "as more fully described in" the DIP Documents or words of similar import, the terms and provisions of this Interim Order shall govern.

27. No Third-Party Beneficiary. Except as explicitly set forth herein, no rights are created hereunder for the benefit of any third-party, any creditor or any direct, indirect or incidental beneficiary.

28. Rights Under Sections 363(k) and 1129(b). Subject to entry of the Final Order, the full amount of the DIP Obligations, the Secured OHAA Payment Obligations and, subject to entry of the Final Order, the Prepetition Obligations may be used to "credit bid" for the assets and property of the Debtors as provided for in section 363(k) of the Bankruptcy Code, without the need for further Court order authorizing the same and whether such sale is effectuated through section 363(k) and/or section 1129(b) of the Bankruptcy Code or otherwise because, among other things, the denial of such rights would result in the Prepetition Obligations not receiving the indubitable equivalent of their claims. The Oak Hill Entities shall be the sole parties entitled to "credit bid" with respect to the Secured OHAA Payment Obligations.

29. Proofs of Claim. Notwithstanding anything to the contrary contained in any prior or subsequent order of the Court, none of the Prepetition Agent, any Prepetition Lender or any of the Prepetition Secured Parties shall be required to file any proof of claim with respect to any of the Prepetition Obligations or any obligations hereunder, all of which shall be due and payable in accordance with the Prepetition Credit Agreement or this Interim Order, as applicable, without the necessity of filing any such proof of claim, and the failure to file any such proof of claim shall not affect the validity or enforceability of any of the Prepetition Credit Agreement, this Interim Order, the Prepetition Obligations or any other obligations hereunder, or prejudice or otherwise adversely affect the Prepetition Secured Parties' rights, remedies, powers, or privileges under the Prepetition Credit Agreement or this Interim Order; provided that, for the avoidance of doubt, the filing of any proof of claim by the Prepetition Agent shall not in any way prejudice or otherwise adversely affect the Prepetition Secured Parties' rights, remedies, powers, or privileges under the Prepetition Credit Agreement or this Interim Order.

30. Headings. Section headings used herein are for convenience only and are not to affect the construction of or to be taken into consideration in interpreting this Interim Order.

31. Final Hearing Date. The Final Hearing to consider the entry of the Final Order approving the relief sought in the Motion shall be held on _____, 2012 at _____ before the Honorable [____] at the United States Bankruptcy Court for the District of Delaware, 824 Market Street, Wilmington, Delaware 19801.

32. No Consent. No action, inaction or acquiescence by the DIP Agent, the DIP Lenders, the Oak Hill Entities, the Prepetition Agent, the Prepetition Lenders, or the Prepetition Secured Parties, including funding the Debtors' ongoing operations under this Interim Order, shall be deemed to be or shall be considered as evidence of any alleged consent by the DIP Agent, the DIP Lenders, the Oak Hill Entities, the Prepetition Agent, the Prepetition Lenders, or the Prepetition Secured Parties to a charge against the Collateral pursuant to section 506(c), 552(b) or 105(a) of the Bankruptcy Code. The DIP Agent, the DIP Lenders, and the Oak Hill Entities shall not (and subject to the Final Order, the Prepetition Agent, the Prepetition Lenders, and the Prepetition Secured Parties shall not) be subject in any way whatsoever to the equitable doctrine of "marshaling" or any similar doctrine with respect to the Collateral. Subject to entry of the Final Order, the "equities of the case" exception of section 552(b) of the Bankruptcy Code shall not apply to the Prepetition Agent, the Prepetition Lenders, or the Prepetition Secured Parties with respect to the Prepetition Credit Agreement and/or the Collateral.

33. Waiver. Effective upon entry of the Final Order, no person or entity shall be entitled, directly or indirectly, to, except as expressly provided by Paragraph 5 of this Interim Order with respect to the Carve-Out, charge or recover from the Collateral, whether by operation of section 506(c) of Bankruptcy Code, sections 105 or 552(b) of the Bankruptcy Code, or

otherwise, or direct the exercise of remedies or seek (whether by order of this Court or otherwise) to marshal or otherwise control the disposition of Collateral or Property after an Event of Default under the DIP Documents, or termination or breach under the DIP Documents or this Interim Order or the Section 1110 Stipulation.

34. No Novation. None of the transactions authorized by this Interim Order (including without limitation the execution of the DIP Loan Agreement and the OHAA Payments) shall constitute a novation under any applicable law.

35. Reimbursement to OHAA; Cure Payments. Southern Air acknowledges its obligation to reimburse OHAA for all other rent or scheduled maintenance payments made by OHAA on the 777 Leases during the period from September 21, 2012 through and including the date of entry of this Interim Order, including the monthly rent payment made by OHAA on September 21, 2012, in the amount of $1,616,996.26 in connection with the 777 Leases (the "Paid Rent", all payments collectively, the "Prepaid Amounts") and Southern Air shall repay to OHAA $1,572,829.60 in cash on account of the Paid Rent within two business days of approval of the Interim DIP Order, plus all other Prepaid Amounts due and owing as of the date of this Interim Order.

36. Adequate Notice. The notice given by the Debtors of the Interim Hearing was given in accordance with Bankruptcy Rules 2002 and 4001(c)(2), and the Local Bankruptcy Rules, and was adequate and sufficient. Under the circumstances, no further notice of the request for the relief granted at the Interim Hearing is required. The Debtors shall promptly mail copies of this Interim Order and notice of the Final Hearing to (i) the Notice Parties (as defined below); (ii) the top thirty (30) unsecured creditors of the Debtors; (iii) the Internal Revenue Service; (iv) the Securities and Exchange Commission; (v) the U.S. Attorney's Office; (vi) the

Attorney General for the State of Delaware; (vii) any known entity affected by the terms of the Final Order; and (viii) any other entity requesting notice under Bankruptcy Rule 2002 after the entry of this Interim Order. Any objection to the relief sought at the Final Hearing shall be made in writing setting forth with particularity the grounds thereof, and filed with the Court and served so as to be actually received no later than seven (7) days prior to the Final Hearing by the following: (A) counsel to the Debtors, Weil, Gotshal & Manges, LLP, 767 Fifth Avenue, New York, New York 10153, Attn: Brian S. Rosen, Esq, fax: (212) 310-8007, email: brian.rosen@weil.com, with a copy to Young Conaway Stargatt & Taylor, LLP, 1000 North King Street, Wilmington, Delaware 19801, Attn: M. Blake Cleary, Esq., fax: (302) 571-1253, email: mbcleary@ycst.com; (B) counsel to the DIP Agent and Prepetition Agent, Milbank, Tweed, Hadley & McCloy LLP, 1 Chase Manhattan Plaza, New York, New York 10005, Attn: Matthew S. Barr and Samuel Khalil, fax: (212) 822-5915, e-mail: mbarr@milbank.com and skhalil@milbank.com, with a copy to Richards, Layton & Finger, P.A., 920 N. King Street, Wilmington, DE 19801, Attn: Mark D. Collins and Katherine L. Good; (C) counsel to the Oak Hill Entities, Paul, Weiss, Rifkind, Wharton & Garrison LLP, 1285 Avenue of the Americas, New York, New York, Attn: Stephen J. Shimshak and Kelley A. Cornish, fax: (212) 373-3990, with a copy to Cozen O'Connor, 1201 North Market Street, Suite 1400, Wilmington, Delaware 19801, Attn: Mark E. Felger; (D) the Office of the United States Trustee, J. Caleb Boggs Federal Bldg., 844 North King Street, Room 2207, Lockbox 35, Wilmington, DE 19801; and (E) any counsel to the Committee, if one has been appointed (collectively, the "Notice Parties").

37. Binding Effect; Successors and Assigns. The DIP Documents and the provisions of this Interim Order, including all findings herein, shall be binding upon all parties-in-interest in these Chapter 11 Cases, including, without limitation, the Debtors, the DIP

Lenders, the Oak Hill Entities, the Prepetition Agent, the Prepetition Secured Parties, the Adequate Protection Parties, any Committee or examiner appointed in these Chapter 11 Cases, and the Debtors, and their respective successors and assigns (including any trustee or fiduciary hereinafter appointed as a legal representative of the Debtors or with respect to the property of the estates of the Debtors) whether in these Chapter 11 Cases, in any Successor Cases, or upon any dismissal of any such chapter 11 or chapter 7 case and shall inure to the benefit of the DIP Agent, the DIP Lenders, the Oak Hill Entities, the Prepetition Agent, the Adequate Protection Parties, and the Debtors, and their respective successors and assigns; provided, however, that the consent of the DIP Agent, the DIP Lenders, the Oak Hill Entities, the Prepetition Agent, the Prepetition Lenders, and the Prepetition Secured Parties to permit the use of Cash Collateral hereunder and the agreement of the DIP Agent and the DIP Lenders to extend financing under the DIP Documents and the Oak Hill Entities' agreement to provide the Secured OHAA Payments shall terminate upon the appointment of any chapter 7 or 11 trustee, examiner with expanded powers, or similar responsible person appointed for the estates of the Debtors. In determining to make any loan (whether under the DIP Loan Agreement, a promissory note, or otherwise), to permit the use of Cash Collateral, to incur the Secured OHAA Payment Obligations, or in exercising any rights or remedies as and when permitted pursuant to this Interim Order, the DIP Documents or the Section 1110 Stipulation, the DIP Agent, the DIP Lenders, the Oak Hill Entities (solely with respect to the Secured OHAA Payment Obligations), the Prepetition Agent, the Prepetition Lenders, the Prepetition Secured Parties and the Adequate Protection Parties shall not (i) subject to entry of the Final Order, be deemed to be in control of the operations of the Debtors, or (ii) owe any fiduciary duty to the Debtors, their respective creditors, shareholders, or estates. Except as expressly provided in Paragraph 21 of this Interim

Order, each stipulation, admission and agreement contained in this Interim Order shall also be binding upon all persons and entities under all circumstances and for all purposes.

38. Retention of Jurisdiction. This Court has and will retain jurisdiction to enforce this Interim Order according to its terms.

Dated: Wilmington, Delaware
_____, 2012

_____
UNITED STATES BANKRUPTCY JUDGE