

UNITED STATES BANKRUPTCY COURT
DISTRICT OF DELAWARE

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: **Chapter 11**
: **Case No. 12-12690 (CSS)**
: **Jointly Administered**
: **Re: Docket No. 10**
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In re

**SOUTHERN AIR
HOLDINGS, INC., et al.,
Debtors.¹**

**INTERIM ORDER (I) PROHIBITING
ANY UTILITY COMPANY FROM ALTERING, REFUSING, OR
DISCONTINUING SERVICE, (II) APPROVING THE DEBTORS' PROPOSED
ADEQUATE ASSURANCE, AND (III) ESTABLISHING PROCEDURES TO
DETERMINE ADDITIONAL ADEQUATE ASSURANCE OF PAYMENT
PURSUANT TO SECTIONS 105(a) AND 366 OF THE BANKRUPTCY CODE**

Upon the motion, dated September 28, 2012 (the "Motion"),² of Southern Air Holdings, Inc. and its affiliated debtors, as debtors and debtors in possession (collectively, the "Debtors"), for (a) entry of an interim order (i) prohibiting any Utility Company from altering, refusing, or discontinuing services on account of prepetition amounts outstanding, or on account of any perceived inadequacy of the Debtors' Proposed Adequate Assurance pending entry of a final order, (ii) approving the Debtors' Proposed Adequate Assurance, (iii) establishing procedures for determining additional adequate assurance of payment, and (iv) scheduling a hearing to consider the relief requested herein on a final basis (the "Final Hearing"), and after the Final Hearing (b) entry of a final order granting the relief requested therein on a final basis

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 All capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the Motion.



pursuant to sections 366 and 105(a) of the Bankruptcy Code, all as more fully set forth in the Motion; and upon consideration of the *Declaration of Daniel J. McHugh in Support of the Debtors' Chapter 11 Petitions and First Day Relief*; and the Court having jurisdiction to consider the Motion and the relief requested therein 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; and consideration of the Motion and the requested relief being a core proceeding pursuant to 28 U.S.C. § 157(b); and venue being proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409; and due and proper notice of the Motion having been provided to the parties listed therein, and it appearing that no other or further notice need be provided; and the Court having reviewed the Motion; and the Court having determined that the legal and factual bases set forth in the Motion establish just cause for the relief granted herein; and it appearing that the relief requested in the Motion is in the best interests of the Debtors and their respective estates and creditors; and upon all of the proceedings had before the Court and after due deliberation and sufficient cause appearing therefor,

IT IS HEREBY ORDERED THAT:

1. The Motion is GRANTED on an interim basis, as set forth herein.
2. Until such time as a final order is entered by the Court, all Utility Companies, including, without limitation, those Utility Companies listed on the Utility Service List, are prohibited from altering, refusing, or discontinuing services on account of prepetition amounts outstanding, or on account of any perceived inadequacy of the Debtors' proposed adequate assurance.
3. Within three (3) business days after entry of this Interim Order, the Debtors shall deposit cash in an amount equal to \$53,000, which represents two (2) weeks of

Utility Services, calculated as half of the historical monthly average over the past twelve (12) months, into the Utility Deposit Account for the benefit of the Utility Companies, which amount may be adjusted by the Debtors if the Debtors terminate any of the Utility Services provided by a Utility Company, make other arrangements with certain Utility Companies with respect to adequate assurance of payment, determine that an entity listed on the Utility Service List is not a utility company within the scope of section 366 of the Bankruptcy Code, or supplement the Utility Service List to include additional Utility Companies.

4. All amounts in the Utility Deposit Account shall remain, at all times, property of the Debtors' estates. Upon confirmation of any plan of reorganization in these chapter 11 cases, and without further order of the Court, all amounts in the Utility Deposit Account shall be immediately available for the Debtors' use, in their sole discretion.

5. The relief granted herein is for all Utility Companies providing Utility Services to the Debtors and is not limited to those listed on the Utility Service List attached as Exhibit A to the Motion. The Debtors are authorized to supplement, as necessary, the Utility Service List and this Interim Order shall apply to any such Utility Company that is subsequently added to the Utility Service List.

6. The Debtors shall serve a copy of the Motion and this Interim Order, via first class mail on each Utility Company listed on the Utility Service List, and all other parties required to receive service under rule 2002-1(b) of the Local Rules of Bankruptcy Practice and Procedure of the United States Bankruptcy Court for the District of Delaware (the "Local Rules"), within three (3) business days of the date of this Interim Order.

7. Nothing contained in this Interim Order or the Motion is intended to be or shall be construed as (a) an admission as to the validity of any claim against the Debtors, (b) a

waiver of the Debtors' or any party in interest's rights to dispute any claim, or (c) an approval or assumption of any agreement, contract, program, policy or lease under section 365 of the Bankruptcy Code. Likewise any payment made pursuant to this Interim Order is not intended to be and should not be construed as an admission to the validity of any claim or a waiver of the Debtors' rights to dispute such claim subsequently. The relief requested herein shall not oblige the Debtors to accept any services, accept the shipment of goods, or prevent the Debtors from returning or rejecting goods.

8. The Debtors' service of the Motion or this Interim Order upon the Utility Companies shall not constitute an admission or concession that such entities are a utility within the meaning of section 366 of the Bankruptcy Code, and the Debtors reserve all rights and defenses with respect thereto.

9. The Debtors are authorized to take all steps necessary to carry out this Order.

10. This Court shall retain jurisdiction to hear and determine all matters arising from or related to the implementation, interpretation and/or enforcement of this Order.

11. A final hearing to consider the relief requested in the Motion shall be held on October 25, 2012 at 1:00 p.m. (Eastern Time) and any objections or responses to the Motion shall be filed on or before seven (7) days before the final hearing date set forth herein and served on the parties as required by Local Rule 9006-1(c)(ii).

Dated: October 7, 2012
Wilmington, Delaware



PETER J. WALSH
UNITED STATES BANKRUPTCY JUDGE