

UNITED STATES BANKRUPTCY COURT
DISTRICT OF DELAWARE

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In re : **Chapter 11**
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:
SOUTHERN AIR : **Case No. 12-12690 (CSS)**
HOLDINGS, INC., et al., :
:
: **Jointly Administered**
Debtors.¹ :
:
RE: Docket Nos. 5 & 71
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CERTIFICATION OF COUNSEL

The undersigned hereby certifies as follows:

1. On September 28, 2012, the above-captioned debtors and debtors in possession (collectively, the “Debtors”) commenced these chapter 11 cases.

2. On September 28, 2012, the Debtors filed, among other things, the *Motion of Debtors for Entry of Interim and Final Orders Authorizing (I) Fuel Suppliers to Apply Prepetition Prepayments and Credits to Prepetition and Postpetition Obligations Under Fuel Supply Arrangements, (II) Debtors to Pay Prepetition Amounts Owed to Fuel Suppliers, (III) Debtors to Perform and Exercise Their Rights and Obligations Under Fuel Supply Arrangements, and (IV) Financial Institutions to Honor and Process Related Checks and Transfers Pursuant to Sections 105(a), 362, 363, and 553 of the Bankruptcy Code* [Docket No. 5] (the “Motion”) with the United States Bankruptcy Court for the District of Delaware (the “Court”).

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 of the Debtors is 117 Glover Avenue, Norwalk, Connecticut 06850.



3. On October 1, 2012, the Court conducted a first day hearing (the “October 1 Hearing”), at the conclusion of which, the Court entered the *Interim Order Authorizing (I) Fuel Suppliers to Apply Prepetition Prepayments and Credits to Prepetition and Postpetition Obligations Under Fuel Supply Arrangements, (II) the Debtors to Pay Prepetition Amounts Owed to Fuel Suppliers, (III) the Debtors to Honor, Perform, and Exercise Their Rights and Obligations Under Fuel Supply Arrangements, and (IV) Financial Institutions to Honor and Process Related Checks and Transfers Pursuant to Sections 105(a), 362, 363, and 553 of the Bankruptcy Code* [Docket No. 71] (the “Interim Order”). The deadline to object to entry of an order granting the relief in the Motion requested on a final basis was October 18, 2012 at 4:00 p.m. (ET). The Debtors have not received any formal objections or informal comments with respect to same.

4. Attached hereto as Exhibit 1 is a revised proposed form of order (the “Revised Proposed Order”) conforming the original final proposed form of order to the representations made on the record at the October 1 Hearing. For the convenience of the Court and parties in interest, attached hereto as Exhibit 2 is a blackline reflecting the changes made to the proposed final form of order filed with the Motion.

[Remainder of page intentionally left blank.]

WHEREFORE, the Debtors respectfully request that based upon the *Declaration of Daniel J. McHugh in Support of the Debtors' Chapter 11 Petitions and First Day Relief* [Docket No. 14] and the record of these cases, including the record established at the October 1 Hearing, the Court enter the Revised Proposed Order attached hereto as Exhibit 1 at the earliest convenience of the Court.

Dated: October 23, 2012
Wilmington, Delaware

/s/ Jaime Luton Chapman
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*Proposed Attorneys for the
Debtors and Debtors in Possession*

EXHIBIT 1

Revised Proposed Order

**UNITED STATES BANKRUPTCY COURT
DISTRICT OF DELAWARE**

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In re : **Chapter 11**
: :
SOUTHERN AIR : **Case No. 12-12690 (CSS)**
HOLDINGS, INC., et al., :
: : **Jointly Administered**
Debtors.¹ :
: : **Re: Docket Nos. 5 & 71**
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FINAL ORDER AUTHORIZING (I) FUEL SUPPLIERS TO APPLY PREPETITION PREPAYMENTS AND CREDITS TO PREPETITION AND POSTPETITION OBLIGATIONS UNDER FUEL SUPPLY ARRANGEMENTS, (II) THE DEBTORS TO PAY PREPETITION AMOUNTS OWED TO FUEL SUPPLIERS, (III) THE DEBTORS TO HONOR, PERFORM, AND EXERCISE THEIR RIGHTS AND OBLIGATIONS UNDER FUEL SUPPLY ARRANGEMENTS, AND (IV) FINANCIAL INSTITUTIONS TO HONOR AND PROCESS RELATED CHECKS AND TRANSFERS PURSUANT TO SECTIONS 105(a), 362, 363, AND 553 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 entry of an order pursuant to sections 105(a), 362, 363(b), and 553 of the Bankruptcy Code entry of an order authorizing (a) modification of the Automatic Stay, to the extent required, to permit the Fuel Suppliers to apply prepetition prepayments and credits to the Debtors’ prepetition and postpetition obligations under the Fuel Supply Arrangements, (b) the Debtors to pay any prepetition outstanding fuel-related obligations owed to the Fuel Suppliers; (c) the Debtors to continue honoring, performing, and exercising their rights and obligations

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² All capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the Motion.

(whether prepetition or postpetition) under the Fuel Supply Arrangements, and (d) financial institutions to honor and process related checks and transfers, 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 entered an interim order granting the relief requested in the Motion on October 1, 2012 (the "Interim Order"); 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 a final basis, as set forth herein.
2. The Debtors are authorized, but not directed, to pay any prepetition outstanding obligations to the Government Fuel Suppliers, in an amount not to exceed \$1.8 million (in addition to amounts authorized under the Interim Order).

3. The Debtors are authorized, but not directed to pay prepetition outstanding obligations to WFS, if any, in an amount not to exceed \$50,000 (in addition to amounts authorized under the Interim Order).

4. The Debtors are authorized, but not directed, to continue to honor, perform and exercise their rights and obligations (whether prepetition or postpetition) under the Fuel Supply Arrangements; *provided, however*, that such honoring, performing, or exercising of such rights and obligations shall not give rise to administrative claims solely as a result of the entry of this Order and shall not constitute the assumption of any contract, nor preclude the Debtors from contesting or objecting to the claim of any party.

5. The Fuel Suppliers are authorized to exercise any recoupment rights and apply prepetition payments and credits held for the benefit of the Debtors to the Debtors' fuel supply purchases occurring before or after the Petition Date.

6. To the extent required, the Automatic Stay is hereby modified and the requirements of Bankruptcy Rule 4001(a)(3) and Local Rule 4001-1 are waived to allow the Fuel Suppliers, subject to the prior written consent of the Debtors, and upon three (3) business days' written notice to the agent under the DIP Credit Agreement,³ to exercise any setoff rights pursuant to section 553 of the Bankruptcy Code as may be necessary to ensure the application of fuel payments or credits.

7. The Banks on which checks were drawn or electronic transfer requests were made in payment of the prepetition obligations approved herein are authorized and directed to receive, process, honor and pay all such checks and electronic payment requests when

³ DIP Credit Agreement shall mean that certain Senior Secured Super-Priority Debtor-in-Possession Credit Agreement, by and among Cargo 360, Inc., CIBC, and various financial institutions and other persons from time to time parties thereto, dated as of September 28, 2012.

presented for payment, and all such Banks are authorized to rely on the Debtors' designation of any particular check or electronic payment request as being approved by this Order.

8. Within three (3) business days after the date of this Order, the Debtors shall serve a copy of this Order on the Banks.

9. The requirements of Bankruptcy Rule 6003(b) have been satisfied.

10. The requirements of Bankruptcy Rule 6004(a) are waived.

11. Notwithstanding any applicability of Bankruptcy Rule 6004(h), the terms and conditions of this Order shall be immediately effective and enforceable upon its entry.

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

13. 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.

Dated: _____, 2012
Wilmington, Delaware

CHRISTOPHER S. SONTCHI
UNITED STATES BANKRUPTCY JUDGE

EXHIBIT 2

Blackline of Revised Proposed Order

UNITED STATES BANKRUPTCY COURT
DISTRICT OF DELAWARE

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In re : Chapter 11
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SOUTHERN AIR : Case No. 12-12690 (CSS)
HOLDINGS, INC., *et al.*, :
: Jointly Administered
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FINAL ORDER AUTHORIZING (I) FUEL SUPPLIERS TO APPLY PREPETITION PREPAYMENTS AND CREDITS TO PREPETITION AND POSTPETITION OBLIGATIONS UNDER FUEL SUPPLY ARRANGEMENTS, (II) THE DEBTORS TO PAY PREPETITION AMOUNTS OWED TO FUEL SUPPLIERS, (III) THE DEBTORS TO HONOR, PERFORM, AND EXERCISE THEIR RIGHTS AND OBLIGATIONS UNDER FUEL SUPPLY ARRANGEMENTS, AND (IV) FINANCIAL INSTITUTIONS TO HONOR AND PROCESS RELATED CHECKS AND TRANSFERS PURSUANT TO SECTIONS 105(a), 362, 363, AND 553 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 entry of an order pursuant to sections 105(a), 362, 363(b), and 553 of the Bankruptcy Code entry of an order authorizing (a) modification of the Automatic Stay, to the extent required, to permit the Fuel Suppliers to apply prepetition prepayments and credits to the Debtors' prepetition and postpetition obligations under the Fuel Supply Arrangements, (b) the Debtors to pay any prepetition outstanding fuel-related obligations owed to the Fuel Suppliers; (c) the Debtors to continue honoring, performing, and exercising their rights and obligations (whether prepetition or postpetition) under the Fuel Supply Arrangements, and (d) financial

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² All capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the Motion.

institutions to honor and process related checks and transfers, 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 entered an interim order granting the relief requested in the Motion on September ~~_____~~, October 1, 2012 (the "Interim Order"); 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 a final basis, as set forth herein.
2. The Debtors are authorized, but not directed, ~~to the extent consistent with the terms and conditions of the DIP Credit Agreement,~~³ to pay any prepetition outstanding obligations to the Government Fuel Suppliers, in an amount not to exceed \$1.8 million (in addition to amounts authorized under the Interim Order).

³~~DIP Credit Agreement shall mean that certain Senior Secured Super Priority Debtor in Possession Credit Agreement, by and among Cargo 360, CIBC, and various financial institutions and other persons from time to time parties thereto, dated as of September 28, 2012.~~

3. The Debtors are authorized, but not directed, ~~to the extent consistent with the terms and conditions of the DIP Credit Agreement,~~ to pay prepetition outstanding obligations to WFS, if any, in an amount not to exceed \$50,000 (in addition to amounts authorized under the Interim Order).

4. The Debtors are authorized, but not directed, ~~to the extent consistent with the terms and conditions of the DIP Credit Agreement,~~ to continue to honor, perform and exercise their rights and obligations (whether prepetition or postpetition) under the Fuel Supply Arrangements; *provided, however,* that such honoring, performing, or exercising of such rights and obligations shall not give rise to administrative claims solely as a result of the entry of this Order and shall not constitute the assumption of any contract, nor preclude the Debtors from contesting or objecting to the claim of any party.

5. The Fuel Suppliers are authorized to exercise any recoupment rights and apply prepetition payments and credits held for the benefit of the Debtors to the Debtors' fuel supply purchases occurring before or after the Petition Date.

6. To the extent required, the Automatic Stay is hereby modified and the requirements of Bankruptcy Rule 4001(a)(3) and Local Rule 4001-1 are waived to allow the Fuel Suppliers, subject to the prior written consent of the Debtors, and upon three (3) business days' written notice to the agent under the DIP Credit Agreement,³ to exercise any setoff rights pursuant to section 553 of the Bankruptcy Code as may be necessary to ensure the application of fuel payments or credits.

7. The Banks on which checks were drawn or electronic transfer requests were made in payment of the prepetition obligations approved herein are authorized and directed

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to receive, process, honor and pay all such checks and electronic payment requests when presented for payment, and all such Banks are authorized to rely on the Debtors' designation of any particular check or electronic payment request as being approved by this Order.

8. Within three (3) business days after the date of this Order, the Debtors shall serve a copy of this Order on the Banks.

9. The requirements of Bankruptcy Rule 6003(b) have been satisfied.

10. The requirements of Bankruptcy Rule 6004(a) are waived.

11. Notwithstanding any applicability of Bankruptcy Rule 6004(h), the terms and conditions of this Order shall be immediately effective and enforceable upon its entry.

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

13. 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.

Dated: _____, 2012
Wilmington, Delaware

CHRISTOPHER S. SONTCHI
UNITED STATES BANKRUPTCY JUDGE

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Document 2 ID	interwovenSite://WORKSITE02/YCST01/12703438/1
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Legend:	
<u>Insertion</u>	
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Moved to	0
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