

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.<sup>1</sup>** :
  
:
  
-----X

**SECOND AMENDED JOINT PLAN OF AFFILIATED DEBTORS PURSUANT TO  
CHAPTER 11 OF THE UNITED STATES BANKRUPTCY CODE**

WEIL, GOTSHAL & MANGES LLP  
767 Fifth Avenue  
New York, New York 10153  
(212) 310-8000

– and –

YOUNG CONAWAY STARGATT &  
TAYLOR, LLP  
1000 North King Street  
Wilmington, Delaware 19801  
(302) 571-6600

*Attorneys for Debtors and Debtors in  
Possession*

Dated: January 18, 2013

<sup>1</sup> 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.



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Southern Air Holdings, Inc., Cargo 360, Inc., Southern Air Inc., Air Mobility Inc., 21110 LLC, 21111 LLC, 21221 LLC, 21550 LLC, 21576 LLC, 21590 LLC, 21787 LLC, 21832 LLC, 23138 LLC, 24067 LLC, 46914 LLC, CF6-50 LLC, Aircraft 21380 LLC and Aircraft 21255 LLC hereby propose the following chapter 11 plan pursuant to section 1121(a) of the Bankruptcy Code:

## ARTICLE I

### DEFINITIONS

As used in the Plan, the following terms shall have the respective meanings specified below and be equally applicable to the singular and plural of terms defined:

1.1. **Additional Monthly Payments**: Upon the satisfaction of the conditions precedent with respect thereto, certain payments to be made to the Debtors or the Reorganized Debtors, as the case may be, by one or more of the Oak Hill Entities pursuant to the Oak Hill 1110 Stipulation, Section 2.1(b)(2) of the Plan or the OHAA Funding Agreement.

1.2. **Administrative Expense Claim**: Any Claim arising on or prior to the Effective Date constituting a cost or expense of administration of the Chapter 11 Cases asserted or authorized to be asserted, on or prior to the date established by the Bankruptcy Court in the Confirmation Order as the last day for filing proofs of Administrative Expense Claims, in accordance with sections 503(b), 507(a)(2) and 507(b) of the Bankruptcy Code, arising during the period up to and including the Effective Date, including, and without limitation, (a) any actual and necessary costs and expenses of preserving the estates of the Debtors, (b) any actual and necessary costs and expenses of operating the businesses of the Debtors in Possession, (c) any costs and expenses of the Debtors in Possession for the management, maintenance, preservation, sale or other disposition of any assets, (d) the administration and implementation of the Plan, (e) the administration, prosecution or defense of Claims by or against the Debtors and for distributions under the Plan, (f) any Claims for reclamation in accordance with section 546(c)(2) of the Bankruptcy Code allowed pursuant to Final Order, (g) any Claims for compensation and reimbursement of expenses arising during the period from and after the Petition Date and prior to the Effective Date and awarded by the Bankruptcy Court in accordance with sections 328, 330, 331 or 503(b) of the Bankruptcy Code or otherwise in accordance with the provisions of the Plan, whether fixed before or after the Effective Date, (h) any fees or charges assessed against the Debtors' estates pursuant to section 1930, chapter 123, Title 28 of the United States Code and (i) any obligations arising in connection with the Reorganized Debtors' assumption of their indemnification and reimbursement obligations pursuant to Section 22.6 of the Plan.

1.3. **Affiliate**: (a) An entity that directly or indirectly owns, controls or holds with power to vote, twenty percent (20%) or more of the outstanding voting securities of any of the Debtors, other than an entity that holds such securities (i) in a fiduciary or agency capacity without sole discretionary power to vote such securities; or (ii) solely to secure a debt, if such entity has not in fact exercised such power to vote; (b) a corporation twenty percent (20%) or more of whose outstanding voting securities are directly or indirectly owned, controlled, or held with power to vote, by any of the Debtors, or by an entity that directly or indirectly owns,

controls, or holds with power to vote, twenty percent (20%) or more of the outstanding voting securities of any of the Debtors, other than an entity that holds such securities (i) in a fiduciary or agency capacity without sole discretionary power to vote such securities; or (ii) solely to secure a debt, if such entity has not in fact exercised such power to vote; (c) a person whose business is operated under a lease or operating agreement by any of the Debtors, or a person substantially all of whose property is operated under an operating agreement with any of the Debtors; or (d) an entity that operates the business or substantially all of the property of any of the Debtors under a lease or operating agreement.

1.4. **Air Mobility**: Air Mobility Inc.

1.5. **Allowed Administrative Expense Claim**: An Administrative Expense Claim, to the extent it is or has become an Allowed Claim.

1.6. **Allowed Claim/Allowed Equity Interest**: Any Claim against the Debtors or the Debtors' estates, or any Equity Interest in any of the Debtors, (i) proof of which was filed on or before the date designated by the Bankruptcy Court or established by the Bankruptcy Code as the last date for filing such proof of claim or interest against the applicable Debtors or the Debtors' estates, or (ii) if no proof of Claim or Equity Interest has been timely filed, which has been listed by the Debtors in their Schedules as liquidated in amount and not disputed or contingent, in each such case in clauses (i) and (ii) above, a Claim or Equity Interest as to which no objection to the allowance thereof, or action to equitably subordinate or otherwise limit recovery with respect thereto, has been interposed within the applicable period of limitation fixed by the Plan, the Bankruptcy Code, the Bankruptcy Rules or a Final Order, or as to which an objection has been interposed and such Claim or Equity Interest has been allowed in whole or in part by a Final Order. For purposes of determining the amount of an "Allowed Claim", there shall be deducted therefrom an amount equal to the amount of any claim which the Debtors may hold against the holder thereof, to the extent such claim may be set off pursuant to applicable bankruptcy or non-bankruptcy law; provided, however, that (i) Claims allowed solely for the purpose of voting to accept or reject the Plan pursuant to an order of the Bankruptcy Court shall not be considered "Allowed Claims" hereunder unless otherwise specified herein or by order of the Bankruptcy Court, (ii) for any purpose under the Plan, except to the extent permitted in accordance with the provisions of the Bankruptcy Code, an "Allowed Claim" shall not include interest, penalties, or late charges arising from or relating to the period from and after the applicable Petition Date, and (iii) "Allowed Claim" shall not include any Claim subject to disallowance in accordance with section 502(d) of the Bankruptcy Code. Notwithstanding the foregoing, "Allowed Claim" shall include any Claim arising from the recovery of property in accordance with sections 550 and 553 of the Bankruptcy Code and allowed in accordance with section 502(h) of the Bankruptcy Code, any Claim allowed under or pursuant to the terms of the Plan or any Claim to the extent that it has been allowed pursuant to a Final Order.

1.7. **Allowed Convenience Claim**: A Convenience Claim, to the extent it is or has become an Allowed Claim.

1.8. **Allowed General Liability Insured Litigation Claim**: A General Liability Insured Litigation Claim, to the extent it is or has become an Allowed Claim.

- 1.9. **Allowed General Unsecured Claim:** A General Unsecured Claim, to the extent it is or has become an Allowed Claim.
- 1.10. **Allowed Prepetition Lender Claim:** A Prepetition Lender Claim, to the extent it is or has become an Allowed Claim.
- 1.11. **Allowed Priority Claim:** A Priority Claim, to the extent it is or has become an Allowed Claim.
- 1.12. **Allowed Priority Non-Tax Claim:** A Priority Non-Tax Claim, to the extent it is or has become an Allowed Claim.
- 1.13. **Allowed Priority Tax Claim:** A Priority Tax Claim, to the extent it is or has become an Allowed Claim.
- 1.14. **Allowed Secured Claim:** A Secured Claim, to the extent it is or has become an Allowed Claim.
- 1.15. **Allowed Subordinated Claim:** A Subordinated Claim, to the extent it is or has become an Allowed Claim.
- 1.16. **Assets:** With respect to a Debtor or a Reorganized Debtor, as the case may be, (a) all “property” of such Debtor’s or Reorganized Debtor’s estate, as defined in section 541 of the Bankruptcy Code, including, without limitation, such property as is reflected on such Debtor’s or Reorganized Debtor’s books and records as of the Effective Date, unless modified pursuant to the Plan or a Final Order, but, expressly excluding the escrow accounts established in connection with the Oak Hill 1110 Stipulation and the DIP Agreement and the contents thereof, and (b) all claims and causes of action that may have been or may be commenced by such Debtor’s or Reorganized Debtor’s or other authorized representative for the benefit of such Debtor’s or Reorganized Debtor’s estate, unless modified pursuant to the Plan or a Final Order.
- 1.17. **Ballot:** The form distributed to each holder of an impaired Claim on which is to be indicated acceptance or rejection of the Plan.
- 1.18. **Ballot Date:** The date established by the Bankruptcy Court and set forth in the Disclosure Statement Order for the submission of Ballots.
- 1.19. **Bankruptcy Code:** The Bankruptcy Reform Act of 1978, as amended, to the extent codified in Title 11, United States Code, as applicable to the Chapter 11 Cases.
- 1.20. **Bankruptcy Court:** The United States Bankruptcy Court for the District of Delaware or such other court having jurisdiction over the Chapter 11 Cases or proceedings arising from or relating thereto.
- 1.21. **Bankruptcy Rules:** The Federal Rules of Bankruptcy Procedure, as promulgated by the United States Supreme Court under section 2075 of Title 28 of the United States Code, and any Local Rules of the Bankruptcy Court, as amended, as applicable to the Chapter 11 Cases.

1.22. **Base Rate**: The rate of interest then most recently established by the Exit Agent as its base rate for dollars loaned in the United States.

1.23. **Boeing**: Boeing Company, including, without limitation, its subsidiaries and Affiliates thereof.

1.24. **Boeing Credit**: OHAA's deposit with Boeing, in the amount of One Million Nine Hundred Twenty-Five Thousand Dollars (\$1,925,000.00), which deposit and corresponding rights with respect thereto OHAA shall use its commercially reasonable efforts to assist the Debtors to utilize to the maximum extent in satisfaction and discharge of the Debtors' obligations to Boeing.

1.25. **Business Day**: A day other than a Saturday, a Sunday or any other day on which commercial banking institutions in New York, New York are required or authorized to close by law or executive order.

1.26. **Cargo LLC**: Cargo 360, LLC, a Delaware limited liability corporation, formed on or prior to the Effective Date, the membership interests of which shall be held by Cargo 360 or Reorganized Cargo 360, as the case may be, and to which all of the capital stock in Southern Air and Air Mobility will be contributed on the Effective Date.

1.27. **Cargo 360**: Cargo 360, Inc., a Delaware corporation and a Debtor in these Chapter 11 Cases.

1.28. **Cash**: Lawful currency of the United States of America, including, but not limited to, bank deposits, checks representing good funds, and other similar items.

1.29. **Chapter 11 Cases**: The cases commenced under chapter 11 of the Bankruptcy Code by the Debtors on the Petition Date, styled *In re Southern Air Holdings, Inc., et al.*, Case No. 12-12690 (CSS), Jointly Administered, currently pending before the Bankruptcy Court.

1.30. **CIBC**: Canadian Imperial Bank of Commerce, New York Agency.

1.31. **Claim**: Any right to payment, whether or not such right is reduced to judgment, liquidated, liquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, or unsecured, known or unknown or asserted; or any right to an equitable remedy for breach of performance if such breach gives rise to a right of payment, whether or not such right to an equitable remedy is reduced to judgment, fixed, contingent, matured, unmatured, disputed, undisputed, secured, or unsecured and all debts, suits, damages, rights, remedies, liabilities, obligations, judgments, actions, causes of action, demands, or claims of every kind or nature whatsoever, in law, at equity, or otherwise.

1.32. **Class**: A category of holders of Claims or Equity Interests set forth in Article IV of the Plan.

1.33. **Class A-1 Common Stock**: The class of Reorganized Southern Air Parent Common Stock to be authorized and issued as of the Effective Date and be distributed on the Effective Date or as soon thereafter as practicable, in accordance with the terms and provisions

of the Reorganized Debtors By-Laws and the Reorganized Debtors Certificate of Incorporation, and solely to the extent the recipient thereof qualifies as a United States Citizen, to holders of Allowed Prepetition Lender Claims or their respective U.S. LLC Designee, as the case may be, with respect to shares of Reorganized Southern Air Parent Common Stock distributed in accordance with Section 6.1 of the Plan.

1.34. **Class A-2 Common Stock**: The class of Reorganized Southern Air Parent Common Stock to be authorized and issued as of the Effective Date and be distributed on the Effective Date or as soon thereafter as practicable, in accordance with the terms and provisions of the Reorganized Debtors By-Laws and the Reorganized Debtors Certificate of Incorporation, and solely to the extent that the recipient thereof qualifies as a United States Citizen, to (a) OHAA or OHAA Designee with respect to the shares of Reorganized Southern Air Parent Common Stock transferred as of the Effective Date in accordance with provisions of Section 2.1(d) hereof, and (b) OHAA or OHAA Designee with respect to the shares of Reorganized Southern Air Parent Common Stock purchased upon exercise of the Oak Hill Tranche 1 Warrants (upon certain circumstances) and the Oak Hill Tranche 2 Warrants.

1.35. **Class A-3 Common Stock**: The class of Reorganized Southern Air Parent Common Stock to be authorized and issued as of the Effective Date and be distributed on the Effective Date or as soon thereafter as practicable, in accordance with the terms and provisions of the Reorganized Debtors By-Laws and the Reorganized Debtors Certificate of Incorporation, and solely to the extent that the recipient thereof qualifies as a United States Citizen, to members of Southern Management in accordance with Section 28.2 of the Plan.

1.36. **Class A-4 Common Stock**: The class of Reorganized Southern Air Parent Common Stock to be authorized and issued as of the Effective Date or thereafter, in accordance with the terms and conditions of the Reorganized Debtors By-Laws and the Reorganized Debtors Certificate of Incorporation, and solely to the extent that the recipient thereof qualifies as a United States Citizen, upon equity issuances of Reorganized Southern Air Parent Common Stock to third parties following the Effective Date.

1.37. **Class B Common Stock**: The class of Reorganized Southern Air Parent Common Stock to be authorized and issued as of the Effective Date or thereafter, in accordance with the terms and conditions of the Reorganized Debtors By-Laws and the Reorganized Debtors Certificate of Incorporation, and solely to the extent the recipient thereof qualifies as a United States Citizen, to OHAA or OHAA Designee with respect to the shares of Reorganized Southern Air Parent Common Stock purchased upon exercise of the Oak Hill Tranche 1 Warrants upon certain circumstances.

1.38. **Class C-1 Common Stock**: The class of Reorganized Southern Air Parent Common Stock to be authorized and issued as of the Effective Date or thereafter, in accordance with the terms and conditions of the Reorganized Debtors By-Laws and the Reorganized Debtors Certificate of Incorporation, and solely to the extent the recipient thereof does not qualify as a United States Citizen, to holders of Allowed Prepetition Lender Claims with respect to shares of Reorganized Southern Air Parent Common Stock to be distributed in accordance with Section 6.1 of the Plan.

1.39. **Class C-2 Common Stock**: The class of Reorganized Southern Air Parent Common Stock to be authorized and issued as of the Effective Date or thereafter, in accordance with the terms and provisions of the Reorganized Debtors By-Laws and the Reorganized Debtors Certificate of Incorporation, and solely to the extent that the recipient thereof does not qualify as a United States Citizen, to members of Southern Management in accordance with Section 28.2 of the Plan.

1.40. **Collateral**: Any property or interest in property of the estates of the Debtors that is subject to an unavoidable Lien to secure the payment or performance of a Claim.

1.41. **Confirmation Date**: The date the Clerk of the Bankruptcy Court enters the Confirmation Order on the docket of the Bankruptcy Court with respect to the Chapter 11 Cases.

1.42. **Confirmation Hearing**: The hearing to consider confirmation of the Plan in accordance with section 1129 of the Bankruptcy Code, as such hearing may be adjourned or continued from time to time.

1.43. **Consenting Lenders**: Collectively, the Prepetition Lenders in their capacity as a party to the Plan Support Agreement from time to time, or their transferees thereof in accordance with the provisions of the Plan Support Agreement.

1.44. **Confirmation Order**: The order of the Bankruptcy Court (a) confirming the Plan in accordance with section 1129 of the Bankruptcy Code, (b) to the extent applicable, containing provisions consistent with the Plan Support Agreement and (c) in form and substance reasonably acceptable to the Requisite Lenders, the Required DIP Lenders and the Oak Hill Entities.

1.45. **Convenience Claim**: A Claim equal to or less than Two Thousand Dollars (\$2,000.00) or greater than Two Thousand Dollars (\$2,000.00) but, with respect to which, the holder thereof voluntarily reduces such Claim to Two Thousand Dollars (\$2,000.00) on the Ballot; provided, however, that, for purposes of the Plan and the distributions to be made hereunder, "Convenience Claim" shall not include (a) an Administrative Expense Claim, (b) a Priority Tax Claim, (c) a Priority Non-Tax Claim, (d) a Prepetition Lender Claim or a Prepetition Lender Deficiency Claim, (e) an Other Secured Claim, (f) a Subordinated Claim and (g) any other Claim that is a component of a larger Claim, portions of which may be held by one or more holders of Allowed Claims.

1.46. **Creditor**: Any Person or Entity holding a Claim against the Debtors' estates or, pursuant to section 102(2) of the Bankruptcy Code, against property of the Debtors that arose or is deemed to have arisen on or prior to the Petition Date, including, without limitation, a Claim against the Debtors or Debtors in Possession of a kind specified in sections 502(g), 502(h) or 502(i) of the Bankruptcy Code.

1.47. **Creditor Cash**: Two Million Five Hundred Thousand Dollars (\$2,500,000.00) minus such amount of Cash necessary to be paid on account of Allowed Convenience Claims in accordance with the provisions of Sections 8.2 and 9.1 hereof.



1.48. **Creditors' Committee**: The statutory committee of creditors appointed in the Chapter 11 Cases pursuant to section 1102(1)(1) of the Bankruptcy Code, as reconstituted from time to time.

1.49. **Debtors**: Individually, any one of the following entities, and collectively, Southern Air Holdings, Inc., Cargo 360, Inc., Southern Air Inc., Air Mobility Inc., 21110 LLC, 21111 LLC, 21221 LLC, 21550 LLC, 21576 LLC, 21590 LLC, 21787 LLC, 21832 LLC, 23138 LLC, 24067 LLC, 46914 LLC, CF6-50 LLC, Aircraft 21380 LLC and Aircraft 21255 LLC.

1.50. **Debtors in Possession**: The Debtors, as debtors in possession, pursuant to sections 1107 and 1108 of the Bankruptcy Code.

1.51. **DIP Agent**: CIBC, in its capacity as administrative agent under the DIP Agreement.

1.52. **DIP Agreement**: That certain Senior Secured Super-Priority Debtor-in-Possession Credit Agreement, dated as of September 28, 2012, by and among Cargo 360, CIBC, as Administrative Agent, and the lenders party thereto, as amended, supplemented or otherwise modified from time to time in accordance with the terms thereof, the Interim DIP Order and the Final DIP Order.

1.53. **DIP Facility**: That certain credit facility entered into pursuant to the DIP Agreement, which facility consists of the DIP New Money Loan and the DIP Roll-Up Loan.

1.54. **DIP Lender Claims**: The obligations of the Debtors to the DIP Agent and the DIP Lenders arising from or related to the DIP Agreement, the Interim DIP Order and the Final DIP Order.

1.55. **DIP Lenders**: The DIP Agent and the lenders party to the DIP Agreement.

1.56. **DIP New Money Loan**: The portion of the DIP Facility evidenced by advances by the DIP Lenders to the Debtors pursuant to the DIP Agreement in the aggregate amount up to Twenty-Five Million Dollars (\$25,000,000.00).

1.57. **DIP Roll-Up Loan**: The portion of the DIP Facility representing the roll-up of Thirty-Seven Million Five Hundred Thousand Dollars (\$37,500,000.00) of certain Prepetition Lender Claims.

1.58. **Disbursing Agent**: Solely in its capacity as agent of the Debtors to effectuate distributions pursuant to the Plan, the Entity identified in the Plan Supplement, or such other Entity as may be designated by the Debtors, in consultation with the Requisite Lenders and the Oak Hill Entities, and appointed by the Bankruptcy Court and set forth in the Confirmation Order.

1.59. **Disclosure Statement**: The disclosure statement for the Plan (including all exhibits and schedules annexed thereto or referenced therein) approved by the Bankruptcy Court in accordance with section 1125 of the Bankruptcy Code, and in form and substance reasonably acceptable to the Requisite Lenders, the Required DIP Lenders and the Oak Hill Entities.

1.60. **Disclosure Statement Order**: The Final Order of the Bankruptcy Court approving the Disclosure Statement in accordance with section 1125 of the Bankruptcy Code.

1.61. **Disputed Claim**: Any Claim (or portion thereof) against the Debtors, to the extent the allowance of such Claim is the subject of a timely objection or request for estimation in accordance with the Plan, the Bankruptcy Code, the Bankruptcy Rules or the Confirmation Order, and which objection, request for estimation or dispute has not been withdrawn, with prejudice, or determined by an order of the Bankruptcy Court.

1.62. **Disputed Claim Amount**: The lesser of (a) the liquidated amount set forth in the proof of claim filed with the Bankruptcy Court relating to a Disputed Claim, (b) if the Bankruptcy Court has estimated such Disputed Claim pursuant to section 502(c) of the Bankruptcy Code, the amount of a Disputed Claim as estimated by the Bankruptcy Court, and (c) the amount of such Disputed Claim allowed by the Bankruptcy Court pursuant to section 502 of the Bankruptcy Code, or zero, if such Disputed Claim is disallowed by the Bankruptcy Court pursuant to such section, in either case, regardless of whether the order or judgment allowing or disallowing such Claim has become a Final Order.

1.63. **Effective Date**: The earlier to occur of (a) the first (1st) Business Day following the Confirmation Date that the conditions to effectiveness of the Plan set forth in Section 25.2 hereof have been satisfied or otherwise waived in accordance with Section 25.3 hereof so long as the effectiveness of the Confirmation Order shall not be stayed and (b) such other date following the Confirmation Date that the Debtors designate and is agreed to by the Requisite Lenders, the Required DIP Lenders and the Oak Hill Entities.

1.64. **Entity**: A Person, a corporation, a general partnership, a limited partnership, a limited liability company, a limited liability partnership, an association, a joint stock company, a joint venture, an estate, a trust, an unincorporated organization, a governmental unit or any subdivision thereof, including, without limitation, the Office of the United States Trustee, or any other entity.

1.65. **Equity Interest**: In the case of Debtors or Reorganized Debtors, any equity interest in any of the Debtors or Reorganized Debtors represented by duly authorized, validly issued and outstanding shares of preferred stock, common stock or any membership, partnership or other interest or right to convert into such an equity interest or acquire any equity interest of the Debtors which was in existence immediately prior to the Petition Date or issued on the Effective Date. In the case of any other Entity, any equity interest in such Entity represented by duly authorized, validly issued and outstanding shares of preferred stock, common stock or any membership, partnership or other interest or right to convert into such an equity interest or acquire any equity interest of such Entity.

1.66. **Equity Payment**: The payment, in Cash, equal to the greater of (a) five percent (5%) of the total equity value of the Reorganized Debtors as set forth in the Disclosure Statement and (b) five percent (5%) of the total equity value of the Reorganized Debtors pursuant to the transactions contemplated by the Plan, determined by the Bankruptcy Court as of the Effective Date and set forth in the Confirmation Order, and payable pursuant to the terms of the Plan.

1.67. **Exit Credit Agreement:** The financing agreement to be entered into on the Effective Date between Cargo LLC and the Exit Agent providing for the Exit Revolving Credit Facility and the Exit Term Loans, which agreement shall contain terms and conditions consistent with the Plan Support Agreement.

1.68. **Exit Agent:** The Entity, or its successors and assigns, in its capacity as administrative agent from time to time under the Exit Facility.

1.69. **Exit Facility:** The senior secured exit facility to be entered into on the Effective Date between Cargo LLC, the Exit Agent and the lenders party thereto from time to time, consisting of Exit Revolving Credit Facility and the Exit Term Loans.

1.70. **Exit Revolving Credit Facility:** The revolving credit facility in the amount up to Twenty Million Dollars (\$20,000,000.00), which facility shall be undrawn as of the Effective Date except to the extent that letters of credit issued and outstanding pursuant to the Prepetition Credit Agreement shall be rolled into or re-issued in accordance with the provisions of the Exit Credit Agreement.

1.71. **Exit Term Loans:** The term loans to be extended on the Effective Date in connection with (a) the satisfaction of the DIP Lender Claims in accordance with the provisions of Section 3.3 of the Plan, in the aggregate principal amount of Sixty-Two Million Five Hundred Thousand Dollars (\$62,500,000.00), and (b) distributions to be made on account of Allowed Prepetition Lender Claims, in accordance with the provisions of Section 6.1 of the Plan, in the aggregate original principal amount of Seventeen Million Five Hundred Thousand Dollars (\$17,500,000.00), which term loans, to the extent provided by the DIP Lenders, shall mature on the fifth (5th) anniversary of the Effective Date and bear interest, payable quarterly in arrears, in cash, as follows: (a) LIBOR plus seven percent (7%) per annum, subject to a LIBOR floor of two percent (2%) per annum, or (b) Base Rate plus six percent (6%) per annum, subject to a Base Rate floor of three percent (3%) per annum; provided, however, Cargo LLC may elect, in its sole and absolute discretion, determined and announced to the Exit Agent on the Business Day prior to the beginning of each fiscal quarter, to reduce the cash interest by (y) three percent (3%) per annum for such fiscal quarter by increasing the principal amount of the Exit Term Loans through the issuance of additional promissory notes by an amount equal to six percent (6%) for such fiscal quarter or (z) in the event that, during the period from the Effective Date up to and including the three (3) month anniversary thereof, that certain Block Space Agreement, dated May 11, 2012, between Southern Air and Asiana Airlines, Inc. is not extended or modified and extended, during the four (4) fiscal quarters following the non-extension of such agreement, an amount up to six percent (6%) per annum for such fiscal quarter by increasing the principal amount of the Exit Term Loans through the issuance of additional promissory notes in an amount equal to one hundred fifty percent (150%) of the cash interest so reduced in such fiscal quarter.

1.72. **Final DIP Order:** The Final Order (I) Authorizing the Debtors to (A) Obtain Postpetition Financing Pursuant to Sections 105, 361, 362, 363(c), 363(e), 364(c), 364(d)(1) and 364(e) and (B) Utilize Cash Collateral of Prepetition Secured Lenders, (II) Granting Adequate Protection to Prepetition Secured Lenders and (III) Granting Related Relief, dated October 25, 2012, [Docket No. 223], as amended, supplemented or otherwise modified from time to time in accordance with its terms and the Plan Support Agreement.

1.73. **Final Order**: An order or judgment of the Bankruptcy Court as to which the time to appeal, petition for certiorari or move for reargument or rehearing has expired and as to which no appeal, petition for certiorari or other proceedings for reargument or rehearing shall then be pending; and if an appeal, writ of certiorari, reargument or rehearing thereof has been sought, such order shall have been affirmed by the highest court to which such order was appealed, or certiorari shall have been denied or reargument or rehearing shall have been denied or resulted in no modification of such order, and the time to take any further appeal, petition for certiorari or move for reargument or rehearing shall have expired; provided, however, that the possibility that a motion under section 502(j) of the Bankruptcy Code, Rule 59 or Rule 60 of the Federal Rules of Civil Procedure or any analogous rule under the Bankruptcy Rules, may be but has not then been filed with respect to such order, shall not cause such order not to be a Final Order.

1.74. **General Liability Insurance Carrier**: Any entity providing general liability insurance coverage to the Debtors pursuant to a General Liability Insurance Policy.

1.75. **General Liability Insurance Policy**: Any and all policies between the Debtors and a General Liability Insurance Carrier.

1.76. **General Liability Insured Litigation Claim**: Any Claim or cause of action against the Debtors for which the claimant or the Debtors may recover under a General Liability Insurance Policy.

1.77. **General Unsecured Claim**: An unsecured Claim against the Debtors, including, without limitation, a Prepetition Lender Deficiency Claim, but expressly excluding a Convenience Claim or a Subordinated Claim.

1.78. **Holdings**: Southern Air Holdings, Inc., a Delaware corporation and a Debtor in the Chapter 11 Cases.

1.79. **Interim DIP Order**: The Interim Order (I) Authorizing the Debtors to (A) Obtain Postpetition Financing Pursuant to Sections 105, 361, 362, 363(c), 363(e), 364(c), 364(d)(1) and 364(e) and (B) Utilize Cash Collateral of Prepetition Secured Lenders, (II) Granting Adequate Protection to Prepetition Secured Lenders and (III) Granting Related Relief, dated October 1, 2012 [Docket No. 77].

1.80. **Intercompany Claims**: A Claim by a Debtor against another Debtor or an Affiliate of the Debtors (other than the Oak Hill Entities), or by an Affiliate of the Debtors (other than the Oak Hill Entities) against a Debtor or an Affiliate of the Debtors (other than the Oak Hill Entities).

1.81. **IRC**: The Internal Revenue Code of 1986, as amended from time to time.

1.82. **IRS**: The Internal Revenue Service, an agency of the United States Department of Treasury.

1.83. **Lender Parties**: The Prepetition Agent, the Prepetition Lenders, the Consenting Lenders, the DIP Agent and the DIP Lenders.

1.84. **LIBOR**: London Interbank Overnight Rate.

1.85. **Lien**: Any charge against or interest in property to secure payment of a debt or performance of an obligation.

1.86. **Litigation Trust**: The Entity to be created on or after the Confirmation Date in accordance with the provisions of Article XVI hereof and the Litigation Trust Agreement for the benefit of holders of Allowed General Unsecured Claims, and, upon the satisfaction of certain conditions, Allowed Prepetition Lender Claims.

1.87. **Litigation Trust Agreement**: The Litigation Trust Agreement, substantially in the form contained in the Plan Supplement, pursuant to which the Litigation Trustee shall manage and administer the Litigation Trust Assets and distribute the proceeds thereof, if any.

1.88. **Litigation Trust Assets**: From and after the Effective Date, Creditor Cash and the claims and causes of action pursuant to section 547 of the Bankruptcy Code designated by the Debtors and the Creditors' Committee in a schedule to be affixed to the Litigation Trust Agreement. Notwithstanding the foregoing, and for the avoidance of doubt, "Litigation Trust Assets" shall not include claims, causes of action or objections against any Released Parties or their Related Persons.

1.89. **Litigation Trust Beneficiaries**: The holders of Allowed General Unsecured Claims until such time as such holders receive, together with the distributions to be made in accordance with Section 8.1 of the Plan, distributions in an amount equal to ten percent (10%) of such holders' Allowed General Unsecured Claims, and thereafter, solely for the benefit of the holders of Allowed Prepetition Lender Claims (and any transferee thereof).

1.90. **Litigation Trust Board**: The board of the Litigation Trust provided for in the Litigation Trust Agreement, including, without limitation, the duties, powers and obligations with respect thereto, which board shall (a) be comprised of three (3) members selected by the Creditors' Committee and (b) have an oversight function with respect to the Litigation Trust, and the composition of which may change in accordance with the provisions of the Litigation Trust Agreement, including, without limitation, in accordance with the provisions of Sections 6.1 and 8.1 of the Plan.

1.91. **Litigation Trust Claims Reserve**: Any Litigation Trust Assets allocable to or retained on account of, Disputed General Unsecured Claims, even if held in commingled accounts.

1.92. **Litigation Trustee**: The Entity designated as "Managing Trustee" by the Creditors' Committee and designated in the Litigation Trust Agreement, CSC Trust Company of Delaware, as "Resident Trustee," and such additional or replacement trustee(s) as may be appointed by the Litigation Trust Board in accordance with the Litigation Trust Agreement or applicable law.

1.93. **Litigation Trust Interests**: The beneficial interests in the Litigation Trust allocable to certain holders of Allowed Claims (and any transferee thereof) in accordance with the terms and conditions of Sections 6.1 and 8.1 and Article XVI of the Plan.

1.94. **Local Bankruptcy Rules:** The Local Rules of Bankruptcy Practice and Procedure of the United States Bankruptcy Court for the District of Delaware, as amended from time to time.

1.95. **Management Agreements:** Collectively, the employment agreements to be entered into on the Effective Date between Reorganized Southern Air and each of the members of Southern Management.

1.96. **Management Equity:** The equity issued or issuable to Southern Management in accordance with the provisions of Section 28.2 hereof.

1.97. **Management Equity Plan:** The management incentive plan established by the Reorganized Debtors as of the Effective Date.

1.98. **Oak Hill 1110 Stipulation:** That certain Stipulation Pursuant to Sections 363 and 1110 of the Bankruptcy Code Regarding Oak Hill Entities and 777 Aircraft, dated September 28, 2012, by and among Southern Air, certain of the Oak Hill Entities, and Wells Fargo Bank Northwest, N.A., as Owner Trustee, and approved by the Bankruptcy Court pursuant to an order, dated October 25, 2012 [Docket No. 219].

1.99. **Oak Hill Entities:** Collectively, Oak Hill Cargo 360, LLC, Oak Hill Capital Partners II, L.P., OHAA and OHAA Designee.

1.100. **Oak Hill Lease Amendments:** Collectively, the amendments to the Oak Hill Leases containing terms and conditions consistent in all material respects with the Plan Support Agreement, and in form and substance acceptable to Southern Air and the Oak Hill Entities in all respects.

1.101. **Oak Hill Leases:** Collectively, that certain (a) Aircraft Operating Lease Agreement, dated as of February 5, 2010, between Wells Fargo Bank Northwest, N.A., as Owner Trustee, and Southern Air, as Lessee, with respect to Boeing 777 F2B aircraft, Serial Number 37986, as amended and supplemented from time to time, (b) Aircraft Operating Lease Agreement, dated as of February 5, 2010, between Wells Fargo Bank Northwest, N.A., as Owner Trustee, and Southern Air, as Lessee, with respect to Boeing 777 F2B aircraft, Serial Number 37987, as amended and supplemented from time to time, (c) Aircraft Operating Lease Agreement, dated as of August 5, 2011, between Wells Fargo Bank Northwest, N.A., as Owner Trustee, and Southern Air, as Lessee, with respect to Boeing 777 F2B aircraft, Serial Number 37988, as amended and supplemented from time to time, and (d) Aircraft Operating Lease Agreement, dated as of August 5, 2011, between Wells Fargo Bank Northwest, N.A., as Owner Trustee, and Southern Air, as Lessee, with respect to Boeing 777 F2B aircraft, Serial Number 37989, as amended and supplemented from time to time.

1.102. **Oak Hill Reorganized Common Stock:** The Reorganized Southern Air Parent Common Stock to be issued on the Effective Date to OHAA or OHAA Designee pursuant to the terms of Section 2.1(d) of the Plan.

1.103. **Oak Hill Tranche 1 Warrants:** The tranche 1 warrants exercisable for up to seven and one-half percent (7.5%) of Reorganized Southern Air Parent Common Stock (subject

to dilution by Management Equity) to be issued to OHAA or OHAA Designee pursuant to the Plan, which warrants shall have the terms and be exercisable in accordance with the provisions therein.

1.104. **Oak Hill Tranche 2 Warrants**: The tranche 2 warrants exercisable for up to seven and one-half percent (7.5%) of Reorganized Southern Air Parent Common Stock (subject to dilution by Management Equity) to be issued to OHAA or OHAA Designee pursuant to the Plan, which warrants shall have the terms and be exercisable in accordance with the provisions therein.

1.105. **Oak Hill Warrants**: Collectively, the Oak Hill Tranche 1 Warrants and the Oak Hill Tranche 2 Warrants.

1.106. **OHAA**: OH Aircraft Acquisition, LLC.

1.107. **OHAA Designee**: The Entity designated by OHAA prior to the commencement of the Confirmation Hearing, and qualified as a United States Citizen for all times and purposes relevant hereto, to receive distributions of Reorganized Southern Air Parent Common Stock or Oak Hill Warrants pursuant to the Plan.

1.108. **OHAA Escrow Account**: The escrow account, maintained at The Bank of New York Mellon, into which OHAA funded five (5) 12-Month Payments, in the aggregate, Four Million One Hundred Sixty-Six Thousand Six Hundred Sixty-Seven Dollars (\$4,166,667.00), on the date of approval of the Oak Hill 1110 Stipulation, which funds were applied in accordance therewith.

1.109. **OHAA Escrow Minimum Amount**: Cash in the OHAA Escrow Account in the amount of Eight Hundred Thirty-Three Thousand Three Hundred Thirty-Three Dollars and Thirty-Three Cents (\$833,333.33).

1.110. **OHAA Funding Agreement**: The agreement to be executed on the Effective Date by Reorganized Southern Air and the Oak Hill Entities, setting forth the terms and conditions contained in the Oak Hill 1110 Stipulation for the Oak Hill Entities to continue funding the OHAA Payments, as defined in the Oak Hill 1110 Stipulation, from and after the Effective Date.

1.111. **OHCP II**: Oak Hill Capital Partners II, L.P.

1.112. **Other Section 1110 Agreements**: Collectively, the agreements, other than the Oak Hill 1110 Stipulation, entered into by Southern Air in accordance with section 1110 of the Bankruptcy Code relating to “equipment”, as referred to in section 1110 of the Bankruptcy Code.

1.113. **Other Secured Claims**: A Secured Claim other than a Claim arising from or relating to the Prepetition Credit Agreement or the Oak Hill 1110 Stipulation.

1.114. **Person**: An individual, partnership, corporation, limited liability company, cooperative, trust, incorporated organization, association, joint venture, government, or agency or political subdivision thereof, or any other form of legal entity.

1.115. **Petition Date**: September 28, 2012, the date on which each of the Debtors filed its voluntary petition for relief commencing the Chapter 11 Cases.

1.116. **Plan**: This Second Amended Joint Plan of Affiliated Debtors Pursuant to Chapter 11 of the United States Bankruptcy Code, as the same may be amended, modified or supplemented from time to time in accordance with the terms and provisions hereof, including, without limitation, the consent of the Requisite Lenders, the Required DIP Lenders and the Oak Hill Entities.

1.117. **Plan Supplement**: A separate volume, to be filed with the Clerk of the Bankruptcy Court no later than ten (10) Business Days prior to the Ballot Date, including, among other documents, forms of the following documents, which documents shall be consistent with the applicable terms of the Plan Support Agreement and in form and substance reasonably acceptable to the Requisite Lenders, the Required DIP Lenders and the Oak Hill Entities: (a) the Reorganized Debtors By-Laws, (b) the Reorganized Debtors Plan Administration Agreement, (c) the Reorganized Debtors Certificates of Incorporation, (d) the Oak Hill Tranche 1 Warrants, (e) the Oak Hill Tranche 2 Warrants, (f) the Reorganized Southern Air Parent Stockholders Agreement, (g) the OHAA Funding Agreement, (h) the Management Equity Plan, (i) the Management Agreements, (j) the Prepetition Lender Warrants, (k) the Southern Management Warrants, (l) the Exit Credit Agreement and (m) the Litigation Trust Agreement, including, without limitation, schedules and exhibits to the Litigation Trust Agreement; provided, however, that the consent rights of the Required DIP Lenders are solely with respect to the terms of the Exit Credit Agreement and the Reorganized Southern Air Parent Stockholders Agreement to the extent of the Equity Payment; and, provided, further, that, with respect to the Exit Credit Agreement, the Oak Hill Entities shall have no consent rights to the extent that the terms and conditions of the Exit Credit Agreement are consistent with, or no less economically favorable to the Reorganized Debtors than, the provisions of the Plan Support Agreement.

1.118. **Plan Support Agreement**: The Plan Support Agreement, dated as of September 27, 2012, by and among the Debtors, the Consenting Lenders and the Oak Hill Entities (together with the exhibits annexed thereto), a copy of which is attached to the Disclosure Statement as Exhibit B thereto, as such agreement may be modified from time to time.

1.119. **Preferred Equity Interest**: An Equity Interest represented by an issued and outstanding share and preferred stock of Holdings prior to the Petition Date, including, without limitation, the Series A Preferred Stock and the Series B Preferred Stock.

1.120. **Prepetition Agent**: CIBC, in its capacity as administrative agent under the Prepetition Credit Agreement.

1.121. **Prepetition Credit Agreement**: The Credit Agreement, dated as of September 6, 2007, by and among, among others, Cargo 360, CIBC, as Administrative Agent, and the Prepetition Lenders, as amended and supplemented from time to time.

1.122. **Prepetition Lender Claim**: A Secured Claim arising from or relating to the Prepetition Credit Agreement.



1.123. **Prepetition Lender Deficiency Claim**: Any portion of the obligations of the Debtors under the Prepetition Credit Agreement that is undersecured pursuant to the provisions of section 506 of the Bankruptcy Code.

1.124. **Prepetition Lender Reorganized Southern Air Parent Common Stock**: The Reorganized Southern Air Parent Common Stock to be issued to the holders of Allowed Prepetition Lender Claims or their respective U.S. LLC Designee, as the case may be, in the amount of eighty-two and one-half percent (82.5%) of the duly authorized common stock of Reorganized Southern Air Parent (subject to dilution by the Equity Payment (to the extent paid in Reorganized Southern Air Parent Common Stock) and the Management Equity and the Oak Hill Warrants) to be issued as of the Effective Date, distributable (a) in shares of Class A-1 Common Stock, to qualifying United States Citizens, or (b) in shares of Class C-1 Common Stock and Prepetition Lender Warrants, to non-United States Citizens, all of whom shall be required to enter into the Reorganized Southern Air Parent Stockholders Agreement as a condition to the receipt thereof.

1.125. **Prepetition Lenders**: The Prepetition Agent and the lenders party to the Prepetition Credit Agreement.

1.126. **Prepetition Lender Warrants**: Subject to the provisions of Section 6.1 hereof and the Prepetition Lenders Warrant Agreement, the warrants to purchase Class A-1 Common Stock to be issued to each holder of an Allowed Prepetition Lender Claim who does not qualify as a U.S. Citizen on the Effective Date.

1.127. **Priority Claim**: A Priority Non-Tax Claim or a Priority Tax Claim, as the case may be.

1.128. **Priority Non-Tax Claim**: Any Claim against the Debtors, other than an Administrative Expense Claim or a Priority Tax Claim, entitled to priority in payment in accordance with sections 507(a)(3), (4), (5), (6), (7) or (9) of the Bankruptcy Code, but only to the extent entitled to such priority.

1.129. **Priority Tax Claim**: Any Claim of a governmental unit against the Debtors entitled to priority in payment under sections 502(i) and 507(a)(8) of the Bankruptcy Code.

1.130. **Pro Rata Share**: With respect to Claims (a) within the same Class, the proportion that a Claim bears to the sum of all Claims, as the case may be, within such Class, (b) among all Classes, the proportion that a Class of Claims bears to the sum of all Claims, as the case may be and (c) the proportion that a Claim bears to the sum of all Claims, as the case may be.

1.131. **Related Persons**: With respect to any Entity, such predecessors, successors and assigns (whether by operation of law or otherwise) and their respective present and former affiliates and each of their respective current and former members, partners, equity-holders, officers, directors, employees, managers, shareholders, partners, financial advisors, attorneys, accountants, investment bankers, consultants, agents and professionals, or other representatives, each acting in such capacity, and any Entity claiming by or through any of them (including their respective officers, directors, managers, shareholders, partners, employees, members and

professionals); provided, however, that, for purposes of this definition, each “Related Person” must serve in any of the foregoing capacity at some point during the period from the Petition Date up to and including the Effective Date.

1.132. **Released Parties**: Collectively, each of the Debtors and their Affiliates, each of the Reorganized Debtors, the Oak Hill Entities, the DIP Agent, the DIP Lenders, the Prepetition Agent, the Consenting Lenders, and, except with respect to the Lender Parties, each of their respective current and former (to the extent employed or serving at any time during the Chapter 11 Cases) direct and indirect members, direct and indirect partners, officers, shareholders, directors, employees, managers, attorneys, consultants, advisors and agents.

1.133. **Reorganized Cargo 360**: Cargo 360, from and after the Effective Date.

1.134. **Reorganized Debtors**: The Debtors, as applicable, from and after the Effective Date.

1.135. **Reorganized Debtors By-Laws**: The respective by-laws of the Reorganized Debtors, which shall be in substantially the form included in the Plan Supplement.

1.136. **Reorganized Debtors Certificate of Incorporation**: The respective certificate of incorporation of the Reorganized Debtors, which shall be in substantially the form included in the Plan Supplement.

1.137. **Reorganized Debtors Plan Administrator**: Reorganized Southern Air or such other Person(s) or Entity to be appointed or retained, as of the Effective Date, by the Reorganized Debtors, with the consent of the Requisite Lenders and the Oak Hill Entities, as the Person responsible for, among other things, the matters described in Section 24.2 hereof.

1.138. **Reorganized Debtors Plan Administration Agreement**: The agreement prescribing the powers, duties and rights of the Reorganized Debtors Plan Administrator in administering the Plan that will be included in the Plan Supplement.

1.139. **Reorganized Holdings**: Holdings, from and after the Effective Date (unless otherwise merged with and into Reorganized Cargo 360 on or after the Effective Date).

1.140. **Reorganized Southern Air**: Southern Air, from and after the Effective Date.

1.141. **Reorganized Southern Air Parent**: Either (a) Reorganized Holdings, on and after the Effective Date, which shall own one hundred percent (100%) of the Equity Interests of Cargo 360, or (b) Cargo 360, on and after the Effective Date, as determined by the Debtors, with the consent of the Requisite Lenders and the Oak Hill Entities.

1.142. **Reorganized Southern Air Parent Common Stock**: The ten million (10,000,000) shares of duly authorized common stock of Reorganized Southern Air Parent to be issued as of the Effective Date, comprised of Class A-1 Common Stock, Class A-2 Common Stock, Class A-3 Common Stock, Class B Common Stock, Class C-1 Common Stock and Class C-2 Common Stock, each having a par value of \$0.01 per share and, to the extent applicable,

governed by the provisions of the Reorganized Debtors By-Laws, Reorganized Debtors Certificate of Incorporation and the Reorganized Southern Air Parent Stockholders Agreement.

1.143. **Reorganized Southern Air Parent Stockholders Agreement**: The stockholders agreement to be effective as of the Effective Date and be executed by each Person receiving shares of Reorganized Southern Air Parent Common Stock, Oak Hill Warrants and Prepetition Lenders Warrants (other than shares to be distributed to and held by Southern Management in accordance with the provisions of Sections 28.2 and 28.3 of the Plan).

1.144. **Required DIP Lenders**: Collectively, the DIP Lenders who, collectively, hold more than fifty percent (50%) of the DIP Lender Claims.

1.145. **Requisite Lenders**: Consenting Lenders who, collectively, hold more than fifty percent (50%) of the Prepetition Lender Claims held by the Consenting Lenders or their transferees pursuant to the Plan Support Agreement.

1.146. **Schedules**: Collectively, the respective schedules of assets and liabilities, the list of Equity Interests, and the statements of financial affairs filed by the Debtors in accordance with section 521 of the Bankruptcy Code and the Official Bankruptcy Forms of the Bankruptcy Rules as such schedules and statements have been or may be supplemented or amended on or prior to the Confirmation Date pursuant to Bankruptcy Rule 1007.

1.147. **Secured Claim**: A Claim against the estate of any of the Debtors, (a) secured by a valid, perfected and unavoidable Lien on Collateral or (b) subject to a valid right of setoff under section 553 of the Bankruptcy Code, to the extent of the value of the Collateral or to the extent of the amount subject to setoff, as applicable, as determined in accordance with section 506(a) of the Bankruptcy Code or as otherwise agreed to, in writing, by (1) any of the Debtors, upon consultation with the Requisite Lenders, the Required DIP Lenders and the Oak Hill Entities, and the holder of such Claim or (2) any of the Reorganized Debtors, upon consultation with the Requisite Lenders, the Required DIP Lenders and the Oak Hill Entities, and the holder of such Claim; provided, however, that, to the extent that the value of such interest is less than the amount of the Claim which has the benefit of such security, the unsecured portion of such Claim shall be treated as a General Unsecured Claim, unless, in any such case, the Class of which such Claim is a part makes a valid and timely election in accordance with section 1111(b) of the Bankruptcy Code to have such Claim treated as a Secured Claim to the extent allowed.

1.148. **Secured OHAA Payment Obligations**: The obligations of the Debtors in accordance with the terms and conditions of the Oak Hill 1110 Stipulation and subject to the provisions of the Interim DIP Order and the Final DIP Order.

1.149. **Series A Preferred Stock**: The three hundred thousand (300,000) shares of preferred stock of Holdings authorized to be issued and distributed in accordance with that certain Certificate of Designations, dated as of December 10, 2009.

1.150. **Series B Preferred Stock**: The five hundred fifty thousand (550,000) shares of preferred stock of Holdings authorized to be issued and distributed in accordance with that certain Certificate of Designations, dated as of September 30, 2011.

1.151. **Southern Air**: Southern Air Inc., a Delaware corporation and a Debtor in these Chapter 11 Cases.

1.152. **Southern Management**: Collectively (a) Daniel J. McHugh, President and Chief Executive Officer, (b) David Soaper, Chief Operating Officer, (c) Jon E. Olin, General Counsel, and (d) Oliver Gritz, Managing Director Europe.

1.153. **Southern Management Warrants**: The warrants to be issued to Southern Management to purchase up to six percent (6.0%) of Reorganized Southern Air Parent Common Stock, providing that operating results are realized in accordance with a business plan to be agreed upon by the Board of Directors of Reorganized Southern Air Parent and Southern Management for fiscal years 2013, 2014 and 2015, and vesting in three (3) annual increments of two percent (2.0%) each year.

1.154. **Subordinated Claim**: Any Claim determined pursuant to a Final Order to be subordinated in accordance with section 510(c) of the Bankruptcy Code under the principles of equitable subordination or otherwise and any Claim against the Debtors or the Debtors' estates, proof of which was filed on or after the date designated by the Bankruptcy Court or established by the Bankruptcy Code as the last date for filing such proof of claim against the applicable Debtors or the Debtors' estates that has not become an Allowed Claim.

1.155. **12-Month Payments**: Upon satisfaction of the conditions precedent with respect thereto, certain payments to be made to the Debtors or the Reorganized Debtors, as the case may be, by one or more of the Oak Hill Entities pursuant to the Oak Hill 1110 Stipulation, Section 2.1(b)(1) of the Plan or the OHAA Funding Agreement.

1.156. **United States Citizen**: A Person who is a "citizen of the United States", as that term is defined in accordance with the provisions of 49 U.S.C. § 40102(a), as amended from time to time, and as interpreted by the Federal Aviation Administration and the United States Department of Transportation, to the extent applicable.

1.157. **U.S. LLC Designee**: A limited liability corporation that is an Affiliate of a Prepetition Lender or a DIP Lender, as the case may be, designated by such Prepetition Lender or DIP Lender prior to the commencement of the Confirmation Hearing, and qualified as a United States Citizen for all times and purposes relevant hereto, to receive distributions of Class A-1 Common Stock on behalf of such Prepetition Lender or DIP Lender, as the case may be, pursuant to the Plan.

1.158. **Other Definitions**: Unless the context otherwise requires, any capitalized term used and not defined herein or elsewhere in the Plan that is defined in the Bankruptcy Code shall have the meaning assigned to that term in the Bankruptcy Code. Unless otherwise specified, (a) all section, schedule or exhibit references in the Plan are to the respective section in, article of, or schedule or exhibit to, the Plan, as the same may be amended, waived, or modified from time to time and (b) all references to dollars are to the lawful currency of the United States of America. The words "herein," "hereof," "hereto," "hereunder," and other words of similar import refer to the Plan as a whole and not to any particular section, subsection, or clause contained in the Plan. The rules of construction contained in section 102 of the Bankruptcy Code shall apply to the

construction of the Plan. In computing any period of time prescribed or allowed by the Plan, unless otherwise expressly provided, the provisions of Bankruptcy Rule 9006(a) shall apply.

## ARTICLE II

### GLOBAL PLAN COMPONENTS AND FUNDING

2.1. **Integrated Plan Provisions:** In consideration for the distributions and other rights, benefits and obligations provided for pursuant to the Plan, the provisions of the Plan shall constitute a good faith, arms-length compromise and settlement of all Claims or controversies relating to the rights that a holder of a Claim or Equity Interest may have with respect to any Allowed Claim or Equity Interest or any distribution to be made or obligation to be incurred pursuant to the Plan. The entry of the Confirmation Order shall constitute the Bankruptcy Court's approval, as of the Effective Date, of the compromise or settlement of all such claims or controversies and the Bankruptcy Court's finding that all such compromises or settlements (i) are in the best interests of (x) the Debtors, the Reorganized Debtors and their respective estates and property, and (y) Claim and Equity Interest holders, and (ii) are fair, equitable and reasonable. To implement the settlement, the Debtors, the Consenting Lenders, the Oak Hill Entities and Southern Management have agreed to, among other things, the following:

(a) **Oak Hill Leases and Oak Hill Lease Amendments:** On the Effective Date, and in accordance with the Confirmation Order, the Oak Hill Leases shall be amended pursuant to the Oak Hill Lease Amendments in accordance with the terms set forth in the Plan Support Agreement, assumed (as amended) as executory contracts pursuant to section 365(a) of the Bankruptcy Code and in accordance with Article XXII hereof. Payments owed by the Debtors or Reorganized Debtors under the Oak Hill Leases may not be set off against any payment owing from the Oak Hill Entities hereunder or under the Oak Hill 1110 Stipulation or the OHAA Funding Agreement, respectively.

(b) **Oak Hill 1110 Stipulation/Supplemental Payment:** On the Effective Date, the Oak Hill 1110 Stipulation shall be terminated and of no further force or effect and the Secured OHAA Payment Obligations shall be fully satisfied and discharged as provided in Section 2.1(d) of the Plan. From and after the Effective Date, subject to the terms and conditions of the OHAA Funding Agreement, the Oak Hill Entities shall make the payments, and take the actions, described below:

(1) **12-Month Payment:** One or more of the Oak Hill Entities shall make monthly payments on the first (1st) Business Day of each month in the amount of \$833,333.33 to Reorganized Southern Air, until such time as Reorganized Southern Air, together with Southern Air as its predecessor in interest, shall have received the aggregate amount of Ten Million Dollars (\$10,000,000.00) of 12-Month Payments taking into account all 12-Month Payments, received by Southern Air, as Reorganized Southern Air's predecessor in interest, prior to the Effective Date. From and after the Effective Date, and until payment of the final 12-Month Payment as provided below, the OHAA Escrow Account shall at all times be funded with at least the OHAA Escrow Minimum Amount and OHAA shall promptly fund additional amounts necessary, if any, to maintain the OHAA Escrow Minimum Amount if amounts in the OHAA Escrow Account are drawn upon to pay any Additional Monthly Payments due, subject

to a cap of Ten Million Dollars (\$10,000,000.00). The OHAA Escrow Minimum Amount shall be applied to fund the final 12-Month Payment of \$833,333.33.

(2) Additional Monthly Payments: Within one (1) Business Day following OHAA's receipt of confirmation that Reorganized Southern Air has timely paid a monthly lease payment due under the applicable Oak Hill Leases, one or more of the Oak Hill Entities shall pay to Reorganized Southern Air \$41,666.66, in four (4) separate installments of \$41,666.66, representing one installment per Oak Hill Lease, in the aggregate amount of \$166,666.66 per month (\$2,000,000.00 per year), up to an aggregate amount of Ten Million Dollars (\$10,000,000.00), taking into account all Additional Monthly Payments, as defined in the Oak Hill 1110 Stipulation, received by Southern Air, as Reorganized Southern Air's predecessor in interest, prior to the Effective Date. Reorganized Southern Air may draw on the OHAA Escrow Account for any missed Additional Monthly Payments. Additionally, on the Effective Date, OHAA shall create an escrow for the benefit of Reorganized Southern Air containing \$500,000.00 as security for the remaining Additional Monthly Payments. If Reorganized Southern Air must draw upon such escrow in respect of any unpaid Additional Monthly Payments, then OHAA shall promptly replenish the escrow in the same amount. The final Additional Monthly Payment shall be made from such escrow account.

(3) Supplemental Payment: On the Effective Date, one or more of the Oak Hill Entities shall pay to Reorganized Southern Air Eight Hundred Seventy-Five Thousand Dollars (\$875,000.00), which amount shall be included in Creditor Cash and be distributed to holders of Allowed General Unsecured Claims in accordance with the provisions of Sections 8.1 and 16.10 of the Plan.

(c) Boeing Credit: If, as of the Effective Date, the Oak Hill Entities' obligations with respect to the Boeing Credit as set forth in the Oak Hill 1110 Stipulation remain outstanding, Oak Hill shall continue to use commercially reasonable efforts to assist the Reorganized Debtors to utilize, to the maximum extent possible, the Boeing Credit in satisfaction and discharge of Southern Air's obligations to Boeing; provided, however, that OHAA makes no representation as to, and assumes no liability with respect to, whether and to what extent Boeing may permit any such offset.

(d) Distribution to the Oak Hill Entities of Reorganized Southern Air Parent Common Stock and Oak Hill Warrants: In consideration for the Oak Hill Lease Amendments, the satisfaction and discharge of the Secured OHAA Payment Obligations (including the 12-Month Payments, the Additional Monthly Payments and the Boeing Credit), the Supplemental Payment and other good and valuable consideration arising from and related thereto, OHAA or OHAA Designee shall receive (1) shares of Reorganized Southern Air Parent Common Stock, representing seventeen and one-half percent (17.5%) of the duly authorized common stock of Reorganized Southern Air Parent to be issued as of the Effective Date, distributable in shares of Class A-2 Common Stock, which shares shall not be subject to dilution by the Equity Payment (to the extent paid or otherwise discharged in shares of Reorganized Southern Air Parent Common Stock) or the Prepetition Lender Warrants, but shall be subject to dilution by the Management Equity, and (2) the Oak Hill Warrants. Subject to the terms and conditions thereof, (a) the Oak Hill Warrants shall have a term of ten (10) years from and after the Effective Date, be exercisable in two equal tranches, the Oak Hill Tranche 1 Warrants vesting on a straight line

basis upon the equity value of Reorganized Southern Air Parent reaching Eighty Million Dollars (\$80,000,000.00) and continuing until such equity value reaches One Hundred Five Million Dollars (\$105,000,000.00), with the shares of Reorganized Southern Air Parent Common Stock issued upon the exercise thereof in either Class A-2 Common Stock or Class B Common Stock, and the Oak Hill Tranche 2 Warrants exercisable at any time by payment in cash of \$9.4 million, to the holders of Reorganized Southern Air Parent Common Stock (other than OHAA and OHAA Designee) or on a cashless basis upon the occurrence of certain enumerated events if the equity value of Reorganized Southern Air Parent reaches One Hundred Twenty-Five Million Dollars (\$125,000,000.00), with the shares of Reorganized Southern Air Parent Common Stock issued upon the exercise thereof in Class A-2 Common Stock, and (b) the exercise of the Oak Hill Warrants shall not dilute the equity to be provided to the Oak Hill Entities or Southern Management pursuant to the Plan or any documents, instruments or agreements executed and delivered in connection herewith.

(e) **Prepetition Lender Claims:** In satisfaction of the Prepetition Lender Claims, which, as of the Petition Date, exceeded Two Hundred Ninety-Five Million Dollars (\$295,000,000.00) and are secured by first priority liens against substantially all of the Debtors' assets, the Prepetition Lenders have agreed to exchange their Prepetition Lender Claims for a Pro Rata Share of (a) the Exit Term Loans in the aggregate principal amount of Seventeen Million Five Hundred Thousand Dollars (\$17,500,000.00), and (b) a portion of the Reorganized Southern Air Parent Common Stock (representing eighty-two and one-half percent (82.5%) of the duly authorized common stock of the Reorganized Southern Air Parent, which is subject to dilution by the Management Equity and the Oak Hill Warrants), a portion of which may be issued in the form of the Prepetition Lender Warrants, to be distributed to each Prepetition Lender or its U.S. LLC Designee, as the case may be. As part of the settlements and compromises contained herein and in the Plan Support Agreement, the Consenting Lenders have also agreed to provide the Debtors with necessary debtor in possession financing, committing to provide up to Twenty-Five Million Dollars (\$25,000,000.00) pursuant to the terms of the DIP Agreement, and to forego a portion of their recoveries to facilitate, among other things, payments to holders of Allowed General Unsecured Claims and holders of Allowed Convenience Claims to receive the Creditor Cash if such creditors vote to accept the Plan.

(f) **OHCP II Proofs of Claim:** On the Effective Date, the proofs of claim filed by OHCP II, Claim Nos. 219 and 226, shall be deemed withdrawn, with prejudice, by OHCP II without any further action by any party.

2.2. **Substantive Consolidation:** The Plan contemplates and is predicated upon the deemed substantive consolidation of the Debtors for the purpose of all actions pursuant to the Plan. Entry of the Confirmation Order shall constitute approval pursuant to section 105(a) of the Bankruptcy Code, effective as of the Effective Date, of the substantive consolidation of the Chapter 11 Cases for all purposes related to the Plan, including, without limitation, for purposes of voting, confirmation and distribution. Without in any way limiting the foregoing:

(a) **Claims:** On and after the Effective Date, (i) no distributions will be made under the Plan on account of Intercompany Claims, (ii) all guarantees by any of the Debtors of the obligations of any other Debtor arising prior to the Effective Date will be deemed eliminated so that any Claim against any Debtor and any guarantee thereof executed by any other Debtor

and any joint and several liability of any of the Debtors will be deemed to be one obligation of the deemed consolidated Debtors and (iii) each and every Claim filed or to be filed in the Chapter 11 Cases of the Debtors will be deemed filed against the deemed consolidated Debtors and will be deemed a single Claim filed and obligation of the deemed consolidated Debtors.

(b) Voting: A Creditor's vote to accept the Plan will be deemed such Creditor's agreement to accept, as consideration for any and all Allowed Claims against any and all Debtors, the treatment specified in the Plan and, in the event the Bankruptcy Court does not approve the substantive consolidation of all or certain of the Debtors, the treatment of such Creditor's Claim pursuant to the Plan on a non-substantive consolidation basis.

(c) Non-Effect: The substantive consolidation effected pursuant to this Section 2.2 will not affect (other than for purposes related to funding distributions under the Plan) (i) the legal and organizational structure of the Debtors, (ii) defenses to any causes of action or requirements for any third party to establish mutuality to assert a right of setoff, and (iii) distributions out of any insurance policies or proceeds of such policies.

(d) Quarterly Fees: Notwithstanding the deemed substantive consolidation proposed herein, pursuant to Section 30.12 of the Plan, each and every Debtor will remain responsible for the payment of quarterly fees to the Office of the United States Trustee for the District of Delaware until the earlier of the time a particular case has been closed, converted or dismissed.

### ARTICLE III

#### PROVISIONS FOR PAYMENT ADMINISTRATIVE EXPENSE CLAIMS AND PRIORITY TAX CLAIMS

3.1. Administrative Expense Claims: On the later to occur of (a) the Effective Date and (b) the date on which an Administrative Expense Claim shall become an Allowed Claim, the Disbursing Agent shall, unless otherwise mutually agreed by the holder of an Allowed Administrative Expense Claim and the Debtors, upon consultation with the Requisite Lenders, the Required DIP Lenders and the Oak Hill Entities, (i) pay to each holder of an Allowed Administrative Expense Claim, in Cash, the full amount of such Allowed Administrative Expense Claim or (ii) satisfy and discharge such Allowed Administrative Expense Claim in accordance with the terms and conditions of the agreements with respect thereto.

3.2. Treatment of Priority Tax Claims: On the Effective Date, each holder of an Allowed Priority Tax Claim shall be entitled to receive distributions in an amount equal to the full amount of such Allowed Priority Tax Claim. At the option and discretion of the Debtors, which option shall be exercised, in writing, on or prior to the commencement of the Confirmation Hearing, such payment shall be made by the Disbursing Agent (a) in full, in Cash, on the Effective Date, (b) in accordance with section 1129(a)(9)(C) of the Bankruptcy Code, in full, in Cash, in equal quarterly installments, commencing on the first (1st) Business Day following the Effective Date and ending on the fifth (5th) anniversary of the commencement of the Chapter 11 Cases, together with interest accrued thereon at the applicable non-bankruptcy rate as of the Confirmation Date, or (c) by mutual agreement of the holder of such Allowed



Priority Tax Claim and the Debtors or Reorganized Debtors, as the case may be, upon consultation with the Requisite Lenders, the Required DIP Lenders and the Oak Hill Entities.

3.3. **DIP Lender Claims:** On the Effective Date, (a) all outstanding DIP Lender Claims shall be satisfied as follows: with respect to the DIP Lender Claims funded by the DIP Lenders, each DIP Lender shall be entitled to receive its Pro Rata Share of (i) Exit Term Loans in the original principal amount of Sixty-Two Million Five Hundred Thousand Dollars (\$62,500,000.00), the repayment of which shall be pari passu in recovery to the indebtedness to the Exit Term Loans to be issued on account of Allowed Prepetition Lender Claims in accordance with Section 6.1 of the Plan; provided, however, that, notwithstanding the foregoing, during the period from the Petition Date up to, but not including, the Effective Date, the Debtors shall use commercially reasonable efforts to enter into a financing facility so that the DIP New Money Loan, the DIP Roll-Up Loan, or both, are paid, in full, in Cash; and (ii) the Equity Payment; provided, however, at the election of the Debtors, and in their sole and absolute discretion, which election shall be announced prior to the commencement of the Confirmation Hearing, such Equity Payment may be satisfied and otherwise discharged through the delivery by Reorganized Southern Air Parent of shares of Reorganized Southern Air Parent Common Stock representing five percent (5%) of the duly authorized common stock of Reorganized Southern Air Parent to be issued as of the Effective Date to each DIP Lender or its respective U.S. LLC Designee, as the case may be, (b) the Debtors shall be relieved of any and all other obligations with respect to the DIP Agreement, the Interim DIP Order and the Final DIP Order and (c) all Liens and other encumbrances granted pursuant to the Interim DIP Order and the Final DIP Order, including, without limitation, and subject to the provisions of Section 3.4 hereof, those granted in connection with the Secured OHAA Payment Obligations, with respect to the property and interests in property claimed by the Debtors shall be released.

3.4. **Oak Hill Entities' Claims:** On the Effective Date, in accordance with the terms and provisions of the Interim DIP Order and the Final DIP Order, (a) the Oak Hill Entities shall have an Allowed Claim against each Debtor for the Secured OHAA Payment Obligations, in the aggregate amount of the payments received by the Debtors pursuant to the Oak Hill 1110 Stipulation during the Chapter 11 Cases, to the extent permitted pursuant to the Interim DIP Order and the Final DIP Order, (b) such Allowed Claim shall receive the treatment set forth in Section 2.1(d) of the Plan, in full and complete satisfaction and discharge thereof and (c) the Claims in respect of the Secured OHAA Payment Obligations shall not be subject to any avoidance, reductions, setoff, offset, recharacterization, subordination (whether equitable, contractual or otherwise), counterclaims, cross-claims, defenses, disallowance, impairment, objection, or any other challenges under any applicable law or regulation by any Person or Entity.

## ARTICLE IV

### CLASSIFICATION OF CLAIMS AND EQUITY INTERESTS

Claims and Equity Interests are classified as follows:

4.1. Class 1 – Priority Non-Tax Claims

- 4.2. Class 2 – Prepetition Lender Claims
- 4.3. Class 3 – Other Secured Claims
- 4.4. Class 4 – General Unsecured Claims
- 4.5. Class 5 – Convenience Claims
- 4.6. Class 6 – General Liability Insured Litigation Claims
- 4.7. Class 7 – Subordinated Claims
- 4.8. Class 8 – Preferred Equity Interests
- 4.9. Classes 9 through 26 – Common Equity Interests

## ARTICLE V

### PROVISION FOR TREATMENT OF PRIORITY NON-TAX CLAIMS (CLASS 1)

5.1. **Treatment of Allowed Priority Non-Tax Claims (Class 1)**: Unless otherwise mutually agreed upon by the holder of an Allowed Priority Non-Tax Claim and the Debtors, upon consultation with the Requisite Lenders, the Required DIP Lenders and the Oak Hill Entities, each holder of an Allowed Priority Non-Tax Claim shall receive from the Disbursing Agent in full satisfaction, settlement, release, and discharge of, and in exchange for such Allowed Priority Non-Tax Claim, Cash in an amount equal to such Allowed Priority Non-Tax Claim on the later of the Effective Date and the date such Allowed Priority Non-Tax Claim becomes an Allowed Priority Non-Tax Claim, or as soon thereafter as is possible.

## ARTICLE VI

### PROVISION FOR TREATMENT OF PREPETITION LENDER CLAIMS (CLASS 2)

6.1. **Allowance and Treatment of Prepetition Lender Claims**: On the Effective Date, (a) the Prepetition Lender Claims shall be deemed Allowed Prepetition Lender Claims in the aggregate amount of not less than Two Hundred Ninety-Five Million Eight Hundred Six Thousand Four Hundred Sixty Dollars and Twenty-Five Cents (\$295,806,460.25) (i) minus the amount of the DIP Roll-Up Loan and (ii) plus such fees, charges and expenses which may be due and owing in accordance with the terms and provisions of the Prepetition Credit Agreement, and (b) each holder of an Allowed Prepetition Lender Claim shall receive its Pro Rata Share of (1) Exit Term Loans in the aggregate original principal amount of Seventeen Million Five Hundred Thousand Dollars (\$17,500,000.00), (2) the Prepetition Lender Reorganized Southern Air Parent Common Stock and the Prepetition Lender Warrants to be distributed to such Prepetition Lender or its respective U.S. LLC Designee, as the case may be, and (3) Litigation Trust Interests, solely to the extent that distributions of Cash to holders of Allowed General Unsecured Claims pursuant to Articles VIII and XVI of the Plan are, in the aggregate, equal to ten percent (10%) of such holders' Allowed General Unsecured Claims; provided, however, that the Debtors shall cause the face amount of any letters of credit issued and outstanding pursuant to the Prepetition Credit

Agreement to be rolled into, or replaced by, a letter of credit issued pursuant to the Exit Revolving Credit Facility.

## ARTICLE VII

### PROVISION FOR TREATMENT OF OTHER SECURED CLAIMS (CLASS 3)

7.1. **Treatment of Allowed Other Secured Claims:** On or after the Effective Date, in full satisfaction, settlement, release, and discharge of, and in exchange for, an Allowed Other Secured Claim, the holders of Allowed Other Secured Claims shall receive one of the following distributions: (a) the payment of such holder's Allowed Other Secured Claim in Cash; (b) the sale or disposition proceeds of the property securing an Allowed Other Secured Claim to the extent of the value of their respective interest in such property; (c) the surrender to the holders of the Allowed Other Secured Claims of the property securing such Claim; (d) such other distributions as shall be necessary to satisfy the requirements of chapter 11 of the Bankruptcy Code, including, without limitation, the payment of interest with respect thereto, at the lesser of (i) the non-default rate set forth in the applicable contractual documentation and (ii) the rate applicable pursuant to applicable non-bankruptcy law as determined by the Bankruptcy Court; or (e) such other treatment as may be agreed upon by the Debtors and such holder of the Allowed Other Secured Claim. The manner and treatment of Allowed Other Secured Claims shall be determined by the Debtors, upon consultation with the Requisite Lenders, the Required DIP Lenders and the Oak Hill Entities.

## ARTICLE VIII

### PROVISIONS FOR THE TREATMENT OF GENERAL UNSECURED CLAIMS (CLASS 4)

8.1. **Treatment of Allowed General Unsecured Claims:** The holders of Allowed General Unsecured Claims shall not be entitled to receive any distribution or retain any property on account of such Claims; provided, however, that, pursuant to the compromises and settlements contained in the Plan, on the Effective Date, the Debtors shall deposit the Creditor Cash into the Litigation Trust and each holder of an Allowed General Unsecured Claim (other than an Allowed Prepetition Lender Deficiency Claim) shall receive on account of such Allowed General Unsecured Claim, and subject to the provisions of Section 8.2 hereof, such holder's Pro Rata Share of Litigation Trust Interests. Notwithstanding anything contained herein to the contrary, including, without limitation, the distributions to be made to a holder of an Allowed General Unsecured Claim pursuant to this Section 8.1 and Article XVI hereof, the Cash that is distributable to such holder in excess of ten percent (10%) of such holder's Allowed General Unsecured shall be deemed redistributed to holders of Allowed Prepetition Lender Claims.

8.2. **Allowed Claims of Two Thousand Dollars (\$2,000.00) or More/Election to be Treated as a Convenience Claim:** Notwithstanding the provisions of Section 8.1 of the Plan, any holder of an Allowed General Unsecured Claim, other than a General Unsecured Claim that is a component of a larger General Unsecured Claim, portions of which may be held by such or any other holder of an Allowed Claim, whose Allowed General Unsecured Claim is more than Two Thousand Dollars (\$2,000.00), and who elects to reduce the amount of such Allowed

General Unsecured Claim to Two Thousand Dollars (\$2,000.00), shall, at such holder's option, be entitled to receive, based on such Allowed General Unsecured Claim as so reduced, distributions pursuant to Section 9.1 hereof. Such election must be made on the Ballot and be received by the Debtors on or prior to the Ballot Date. Any election made after the Ballot Date shall not be binding upon the Debtors unless the Ballot Date is expressly waived, in writing, by the Debtors; provided, however, that, under no circumstance may such waiver by the Debtors occur on or after the Effective Date.

## ARTICLE IX

### PROVISION FOR TREATMENT OF CONVENIENCE CLAIMS (CLASS 5)

9.1. **Treatment of Convenience Claims:** On the later of the Effective Date and the date such Allowed Convenience Claim becomes an Allowed Claim, or as soon thereafter as is practicable, the Disbursing Agent shall pay to each holder of an Allowed Convenience Claim, in Cash, an amount equal to twenty-five percent (25%) of such Allowed Convenience Claim, in full satisfaction, settlement, release, and discharge of, and in exchange for such Allowed Convenience Claim.

## ARTICLE X

### PROVISION FOR TREATMENT OF INSURED LITIGATION CLAIMS (CLASS 6)

10.1. **Treatment of Allowed General Liability Insured Litigation Claims:** Unless otherwise mutually agreed upon by the holder of an Allowed General Liability Insured Litigation Claim and the Debtors, upon consultation with the Requisite Lenders and the Oak Hill Entities, or the Reorganized Debtors, as the case may be, each holder of an Allowed General Liability Insured Litigation Claim shall be entitled, in full satisfaction, settlement, release, and discharge of, and in exchange for such Allowed General Liability Insured Litigation Claim, to proceed with the liquidation of such Claim, including any litigation pending as of the Petition Date and seek recovery from the applicable General Liability Insurance Carrier; provided, however, that, upon the settlement or resolution of the litigation underlying the Allowed General Liability Insured Litigation Claim, such Claim solely shall be treated as a General Unsecured Claim to the extent any such portion of the settlement or judgment is not covered by the General Liability Insurance Policy.

## ARTICLE XI

### SUBORDINATED CLAIMS (CLASS 7)

11.1. **Treatment of Allowed Subordinated Claims:** Each holder of an Allowed Subordinated Claim shall not be entitled to receive any distribution for, or retain any property, on account of such Claim.

## ARTICLE XII

### PROVISIONS FOR TREATMENT OF PREFERRED EQUITY INTERESTS (CLASS 8)

12.1. **Treatment of Preferred Equity Interests**: On the Effective Date, the Preferred Equity Interests shall be deemed extinguished and the certificates and other documents representing such Equity Interests shall be deemed cancelled and of no force and effect.

## ARTICLE XIII

### PROVISIONS FOR TREATMENT OF COMMON EQUITY INTERESTS (CLASSES 9-26)

13.1. **Treatment of Holdings Equity Interests (Class 9)**: On the Effective Date, (a) at the election of the Debtors, with the consent of the Requisite Lenders, the Required DIP Lenders and the Oak Hill Entities, Holdings shall be merged into Cargo 360 and, as a result thereof, pursuant to operation of law, the Holding Equity Interests shall be extinguished, or (b) in the event such merger is not completed, the Holdings Equity Interests shall be deemed extinguished and the certificates and all other documents representing such Equity Interests shall be deemed cancelled and of no force and effect.

13.2. **Treatment of Cargo 360 Equity Interests (Class 10)**: On the Effective Date, the Cargo 360 Equity Interests shall be deemed unimpaired and the certificates and all other documents representing such Equity Interests shall be deemed in full force and effect.

13.3. **Treatment of Southern Air Equity Interests (Class 11)**: On the Effective Date, the Southern Air Equity Interests shall be deemed unimpaired and the certificates and all other documents representing such Equity Interests shall be deemed in full force and effect.

13.4. **Treatment of Air Mobility Equity Interests (Class 12)**: On the Effective Date, the Air Mobility Equity Interests shall be deemed unimpaired and the certificates and all other documents representing such Equity Interests shall be deemed in full force and effect.

13.5. **Treatment of 21110 LLC Equity Interests (Class 13)**: On the Effective Date, (a) the 21110 LLC Equity Interests shall be deemed extinguished and the certificates and all other documents representing such Equity Interests shall be deemed cancelled and of no force and effect and (b) the assets, if any, of 21110 LLC shall be distributed to Reorganized Southern Air free and clear of all liens, claims and encumbrances.

13.6. **Treatment of 21111 LLC Equity Interests (Class 14)**: On the Effective Date, (a) the 21111 LLC Equity Interests shall be deemed extinguished and the certificates and all other documents representing such Equity Interests shall be deemed cancelled and of no force and effect and (b) the assets, if any, of 21111 LLC shall be distributed to Reorganized Southern Air free and clear of all liens, claims and encumbrances.

13.7. **Treatment of 21221 LLC Equity Interests (Class 15)**: On the Effective Date, (a) the 21221 LLC Equity Interests shall be deemed extinguished and the certificates and all

other documents representing such Equity Interests shall be deemed cancelled and of no force and effect and (b) the assets, if any, of 21221 LLC shall be distributed to Reorganized Southern Air free and clear of all liens, claims and encumbrances.

13.8. **Treatment of 21550 LLC Equity Interests (Class 16)**: On the Effective Date, (a) the 21550 LLC Equity Interests shall be deemed extinguished and the certificates and all other documents representing such Equity Interests shall be deemed cancelled and of no force and effect and (b) the assets, if any, of 21550 LLC shall be distributed to Reorganized Southern Air free and clear of all liens, claims and encumbrances.

13.9. **Treatment of 21576 LLC Equity Interests (Class 17)**: On the Effective Date, (a) the 21576 LLC Equity Interests shall be deemed extinguished and the certificates and all other documents representing such Equity Interests shall be deemed cancelled and of no force and effect and (b) the assets, if any, of 21576 LLC shall be distributed to Reorganized Southern Air free and clear of all liens, claims and encumbrances.

13.10. **Treatment of 21590 LLC Equity Interests (Class 18)**: On the Effective Date, (a) the 21590 LLC Equity Interests shall be deemed extinguished and the certificates and all other documents representing such Equity Interests shall be deemed cancelled and of no force and effect and (b) the assets, if any, of 21590 LLC shall be distributed to Reorganized Southern Air free and clear of all liens, claims and encumbrances.

13.11. **Treatment of 21787 LLC Equity Interests (Class 19)**: On the Effective Date, (a) the 21787 LLC Equity Interests shall be deemed extinguished and the certificates and all other documents representing such Equity Interests shall be deemed cancelled and of no force and effect and (b) the assets, if any, of 21787 LLC shall be distributed to Reorganized Southern Air free and clear of all liens, claims and encumbrances.

13.12. **Treatment of 21832 LLC Equity Interests (Class 20)**: On the Effective Date, (a) the 21832 LLC Equity Interests shall be deemed extinguished and the certificates and all other documents representing such Equity Interests shall be deemed cancelled and of no force and effect and (b) the assets, if any, of 21832 LLC shall be distributed to Reorganized Southern Air free and clear of all liens, claims and encumbrances.

13.13. **Treatment of 23138 LLC Equity Interests (Class 21)**: On the Effective Date, (a) the 23138 LLC Equity Interests shall be deemed extinguished and the certificates and all other documents representing such Equity Interests shall be deemed cancelled and of no force and effect and (b) the assets, if any, of 23138 LLC shall be distributed to Reorganized Southern Air free and clear of all liens, claims and encumbrances.

13.14. **Treatment of 24067 LLC Equity Interests (Class 22)**: On the Effective Date, (a) the 24067 Equity Interests shall be deemed extinguished and the certificates and all other documents representing such Equity Interests shall be deemed cancelled and of no force and effect and (b) the assets, if any, of 24067 LLC shall be distributed to Reorganized Southern Air free and clear of all liens, claims and encumbrances.

13.15. **Treatment of 46914 LLC Equity Interests (Class 23)**: On the Effective Date, (a) the 46914 LLC Equity Interests shall be deemed extinguished and the certificates and all

other documents representing such Equity Interests shall be deemed cancelled and of no force and effect and (b) the assets, if any, of 46914 LLC shall be distributed to Reorganized Southern Air free and clear of all liens, claims and encumbrances.

13.16. **Treatment of CF6-50 LLC Equity Interests (Class 24)**: On the Effective Date, (a) the CF6-50 LLC Equity Interests shall be deemed extinguished and the certificates and all other documents representing such Equity Interests shall be deemed cancelled and of no force and effect and (b) the assets, if any, of CF6-50 LLC shall be distributed to Reorganized Southern Air free and clear of all liens, claims and encumbrances.

13.17. **Treatment of Aircraft 21380 LLC Equity Interests (Class 25)**: On the Effective Date, (a) the Aircraft 21380 LLC Equity Interests shall be deemed extinguished and the certificates and all other documents representing such Equity Interests shall be deemed cancelled and of no force and effect and (b) the assets, if any, of Aircraft 21380 LLC shall be distributed to Reorganized Southern Air free and clear of all liens, claims and encumbrances.

13.18. **Treatment of Aircraft 21255 LLC Equity Interests (Class 26)**: On the Effective Date, (a) the Aircraft 21255 Equity Interests shall be deemed extinguished and the certificates and all other documents representing such Equity Interests shall be deemed cancelled and of no force and effect and (b) the assets, if any, of Aircraft 21255 LLC shall be distributed to Reorganized Southern Air free and clear of all liens, claims and encumbrances.

## ARTICLE XIV

### PROVISION FOR TREATMENT OF INTERCOMPANY CLAIMS

14.1. **Treatment of Intercompany Claims**: On or as soon as practicable after the Effective Date, with the consent of the Requisite Lenders and the Oak Hill Entities, all Intercompany Claims will be either (a) reinstated to the extent determined to be appropriate by the Debtors or the Reorganized Debtors, as the case may be, or (b) adjusted, continued or capitalized, either directly or indirectly, in whole or in part. Any such transaction may be effected on or subsequent to the Effective Date without any further action by the equity holders of Reorganized Southern Air Parent.

## ARTICLE XV

### PROVISIONS FOR TREATMENT OF DISPUTED CLAIMS UNDER THE PLAN

15.1. **Objections to Claims; Prosecution of Disputed Claims**: To the extent not objected to by the Debtors prior to the Effective Date, from and after the Effective Date, the Reorganized Debtors Plan Administrator shall object to the allowance of Claims filed with the Bankruptcy Court with respect to which they dispute liability, priority or amount, including, without limitation, objections to Claims which have been assigned and the assertion of the doctrine of equitable subordination with respect thereto. All objections, affirmative defenses and counterclaims shall be litigated to Final Order; provided, however, that the Reorganized Debtors Plan Administrator (within such parameters as may be established by the Board of Directors of

the Reorganized Debtors), upon consultation with the Litigation Trustee, shall have the authority to file, settle, compromise or withdraw any objections to Claims. Unless otherwise ordered by the Bankruptcy Court, the Reorganized Debtors Plan Administrator shall file and serve all objections to Claims as soon as practicable, but, in each instance, not later than ninety (90) days following the Effective Date or such later date as may be approved by the Bankruptcy Court.

15.2. **Estimation of Claims**: Unless otherwise limited by an order of the Bankruptcy Court, the Reorganized Debtors Plan Administrator, may at any time request the Bankruptcy Court to estimate for final distribution purposes any contingent and/or liquidated claim pursuant to section 502(c) of the Bankruptcy Code regardless of whether the Debtors or the Reorganized Debtors previously objected to such Claim, and the Bankruptcy Court will retain jurisdiction to consider any request to estimate any Claim at any time during litigation concerning any objection to any Claim, including, without limitation, during the pendency of any appeal relating to any such objection. Unless otherwise provided in an order of the Bankruptcy Court, in the event that the Bankruptcy Court estimates any contingent and/or liquidated claim, the estimated amount shall constitute either the allowed amount of such Claim or a maximum limitation on such Claim, as determined by the Bankruptcy Court; provided, however, that, if the estimate constitutes the maximum limitation on such Claim, the Debtors or the Reorganized Debtors Plan Administrator, as the case may be, may elect to pursue supplemental proceedings to object to any ultimate allowance of such Claim; and, provided, further, that the foregoing is not intended to limit the rights granted by section 502(j) of the Bankruptcy Code. All of the aforementioned Claims objection, estimation and resolution procedures are cumulative and not necessarily exclusive of one another.

## ARTICLE XVI

### THE LITIGATION TRUST

16.1. **Litigation Trust Agreement**: On or before the Effective Date, the Debtors and the Litigation Trustee shall execute the Litigation Trust Agreement, and shall take all other necessary steps to establish the Litigation Trust and the Litigation Trust Interests therein, which shall be for the benefit of the Litigation Trust Beneficiaries, as provided in Sections 8.1 and, in certain circumstances, 6.1 of the Plan, whether their Claims are Allowed before, on or after the Effective Date. The Litigation Trust Agreement may provide powers, duties, and authorities in addition to those explicitly stated herein, but only to the extent that such powers, duties, and authorities do not affect the status of the Litigation Trust as a “liquidating trust” for United States federal income tax purposes. From and after the Effective Date, any amendment, modification or supplement to the Litigation Trust Agreement, including, without limitation, the schedules and exhibits thereto, shall require the consent of the Reorganized Debtors, the Prepetition Agent and the Oak Hill Entities.

16.2. **Purpose of the Litigation Trust**: The Litigation Trust shall be established for the sole purpose of liquidating and distributing its assets, in accordance with Treasury Regulation section 301.7701-4(d), with no objective to continue or engage in the conduct of a trade or business.



16.3. **Litigation Trust Assets**: On the Effective Date, the Debtors shall transfer all of the Litigation Trust Assets to the Litigation Trust. The Litigation Trust Assets may be transferred subject to certain liabilities, as provided in the Plan or the Litigation Trust Agreement. Such transfer shall be exempt from any stamp, real estate transfer, mortgage reporting, sales, use or other similar Tax, pursuant to section 1146(a) of the Bankruptcy Code. Upon delivery of the Litigation Trust Assets to the Litigation Trust, the Debtors and their predecessors, successors and assigns, and each other Entity released pursuant to Article XXXI herein shall be discharged and released from all liability with respect to the delivery of such distributions.

16.4. **Administration of the Litigation Trust**: The Litigation Trust shall be administered by the Litigation Trustee according to the Litigation Trust Agreement and the Plan. In the event of any inconsistency between the Plan and the Litigation Trust Agreement, the Litigation Trust Agreement shall govern.

16.5. **The Litigation Trustee**: In the event the Litigation Trustee dies, is terminated, or resigns for any reason, a successor shall be designated in accordance with the Litigation Trust Agreement; provided, however, that under no circumstance shall the Litigation Trustee be a director or officer with respect to any Affiliate of the Litigation Trust.

16.6. **Role of the Litigation Trustee**: In furtherance of and consistent with the purpose of the Litigation Trust and the Plan, and subject to the terms of the Confirmation Order, the Plan and the Litigation Trust Agreement, the Litigation Trustee shall, among other things, have the following rights, powers and duties: (i) to hold, manage, convert to Cash, and distribute the Litigation Trust Assets, including prosecuting and resolving the Claims belonging to the Litigation Trust, (ii) to hold the Litigation Trust Assets for the benefit of the Litigation Trust Beneficiaries, whether their Claims are Allowed on or after the Effective Date, (iii) in the Litigation Trustee's reasonable business judgment, to investigate, prosecute, settle and/or abandon rights, causes of action, or litigation that constitute Litigation Trust Assets, and (iv) to file all tax and regulatory forms, returns, reports, and other documents required with respect to the Litigation Trust.

16.7. **Transferability of Litigation Trust Interests**: The Litigation Trust Interests shall not be transferable or assignable except by will, intestate succession or operation of law.

16.8. **Cash**: The Litigation Trustee may invest Cash (including any earnings thereon or proceeds therefrom) as permitted by section 345 of the Bankruptcy Code; provided, however, that such investments are investments permitted to be made by a liquidating trust within the meaning of Treasury Regulation section 301.7701-4(d), as reflected therein, or under applicable IRS guidelines, rulings, or other controlling authorities.

16.9. **Distribution of Litigation Trust Assets/Litigation Trust Claims Reserve**: The Litigation Trustee shall distribute to the holders of Allowed General Unsecured Claims on account of their Litigation Trust Interests, on or immediately after the Effective Date and on a quarterly basis thereafter, all unrestricted Cash on hand (including any Cash received from the Debtors on the Effective Date, and treating any permissible investment as Cash for purposes of this Section 16.9), except (i) Cash reserved pursuant to the Litigation Trust Agreement to fund

the activities of the Litigation Trust, which amount shall not exceed Twenty-Five Thousand Dollars (\$25,000.00) on the Effective Date, but which may be increased thereafter in accordance with the provisions of the Litigation Trust Agreement, (ii) such amounts as are allocable to or retained on account of Disputed General Unsecured Claims in accordance with this Section 16.9, and (iii) such additional amounts as are reasonably necessary to (A) meet contingent liabilities and to maintain the value of the Litigation Trust Assets during liquidation, (B) pay reasonable incurred or anticipated expenses (including, but not limited to, any Taxes imposed on or payable by the Litigation Trust or in respect of the Litigation Trust Assets), or (C) as are necessary to satisfy other liabilities incurred or anticipated by the Litigation Trust in accordance with the Plan, or the Litigation Trust Agreement.

(a) Amounts Retained on Account of Disputed Claims: From and after the Effective Date, and until such time as all Disputed Claims have been compromised and settled or determined by order of the Bankruptcy Court, the Litigation Trustee shall retain for the benefit of each holder of a Disputed Claim, Litigation Trust Interests (and the Cash attributable thereto), in an amount equal to the distributions which would have been made to the holder of such Disputed Claim if it were an Allowed Claim in an amount equal to the lesser of (i) the Disputed Claim Amount, (ii) the amount in which the Disputed Claim shall be estimated by the Bankruptcy Court pursuant to section 502 of the Bankruptcy Code for purposes of allowance, which amount, unless otherwise ordered by the Bankruptcy Court, shall constitute and represent the maximum amount in which such Claim may ultimately become an Allowed Claim or (iii) such other amount as may be agreed upon by the holder of such Disputed Claim and the Reorganized Debtors Plan Administrator. Any Cash retained and held for the benefit of a holder of a Disputed Claim shall be treated as a payment and reduction on account of such Disputed Claim for purposes of computing any additional amounts to be paid in Cash in the event the Disputed Claim ultimately becomes an Allowed Claim. Such Cash retained for the benefit of holders of Disputed Claims shall be either (x) held by the Litigation Trustee, in an interest-bearing account or (y) invested in interest-bearing obligations issued by the United States Government, or by an agency of the United States Government and guaranteed by the United States Government, and having (in either case) a maturity of not more than thirty (30) days, for the benefit of such holders pending determination of their entitlement thereto under the terms of the Plan. No payments or distributions shall be made with respect to all or any portion of any Disputed Claim pending the entire resolution thereof by Final Order.

(b) Allowance of Disputed Claims: At such time as a Disputed Claim becomes, in whole or in part, an Allowed Claim, the Litigation Trustee shall distribute to the holder thereof the distributions, if any, to which such holder is then entitled under the Plan together, with any interest that has accrued on the amount of Cash, but only to the extent that such interest is attributable to the amount of the Allowed Claim. Such distribution, if any, shall be made as soon as practicable after an order or judgment of the Bankruptcy Court is entered allowing such Disputed Claim becomes a Final Order but in no event more than sixty (60) days thereafter (net of any expenses, including any taxes imposed on or with respect to the Litigation Trust Claims Reserve relating to such Claim).

**16.10. Costs and Expenses of the Litigation Trust**: The reasonable costs and expenses of the Litigation Trust, including the fees and expenses of the Litigation Trustee and its retained professionals, shall be paid solely from the Litigation Trust Assets.

16.11. **Compensation of the Litigation Trustee:** The individual(s) serving as or comprising the Litigation Trustee shall be entitled to reasonable compensation in an amount consistent with that of similar functionaries in similar roles, the payment of which shall be subject to the approval of the Bankruptcy Court and be made solely from the assets of the Litigation Trust.

16.12. **Retention of Professionals/Employees by the Litigation Trustee:** The Litigation Trustee may retain and compensate attorneys, other professionals, and employees to assist in its duties as Litigation Trustee on such terms as the Litigation Trustee deems appropriate without Bankruptcy Court approval.

16.13. **Federal Income Tax Treatment of the Litigation Trust:**

(1) **Litigation Trust Assets Treated as Owned by Creditors.** For all United States federal income tax purposes, all parties (including, without limitation, the Debtors, the Litigation Trustee, and the Litigation Trust Beneficiaries) shall treat the transfer of the Litigation Trust Assets to the Litigation Trust as (1) a transfer of the Litigation Trust Assets (subject to any obligations relating to those assets) directly to the Litigation Trust Beneficiaries and, to the extent Litigation Trust Assets are allocable to Disputed Claims, to the Litigation Trust Claims Reserve, followed by (2) the transfer by such beneficiaries to the Litigation Trust of the Litigation Trust Assets (other than the Litigation Trust Assets allocable to the Litigation Trust Claims Reserve) in exchange for Litigation Trust Interests. Accordingly, the Litigation Trust Beneficiaries shall be treated for United States federal income tax purposes as the grantors and owners of their respective share of the Litigation Trust Assets (other than such Litigation Trust Assets as are allocable to the Litigation Trust Claims Reserve, discussed below). The foregoing treatment shall also apply, to the extent permitted by applicable law, for state and local income tax purposes.

(2) **Tax Reporting.**

(i) The Litigation Trustee shall file Tax Returns for the Litigation Trust treating the Litigation Trust as a grantor trust pursuant to Treasury Regulation section 1.671-4(a) and in accordance with this Section 16.13. The Litigation Trustee also will annually send to each holder of a Litigation Trust Interest a separate statement regarding the receipts and expenditures of the Litigation Trust as relevant for U.S. federal income tax purposes and will instruct all such holders to use such information in preparing their U.S. federal income tax returns or to forward the appropriate information to such holder's underlying beneficial holders with instructions to utilize such information in preparing their U.S. federal income tax returns. The Litigation Trustee shall also file (or cause to be filed) any other statement, return or disclosure relating to the Litigation Trust that is required by any governmental unit.

(ii) As soon as practicable following the Effective Date, the Litigation Trustee will in good faith value Litigation Trust Assets, and shall make all such values available from time to time, to the extent relevant, and such values shall be used consistently by all parties to the Litigation Trust (including, without limitation, the Debtors, the Litigation Trustee, and Litigation Trust Beneficiaries) for all United States federal income tax purposes.

(iii) Allocations of Litigation Trust taxable income among the Litigation Trust Beneficiaries (other than taxable income allocable to the Litigation Trust Claims Reserve) shall be determined by reference to the manner in which an amount of cash representing such taxable income would be distributed (were such cash permitted to be distributed at such time) if, immediately prior to such deemed distribution, the Litigation Trust had distributed all its assets (valued at their tax book value, and other than assets allocable to the Litigation Trust Claims Reserve) to the holders of the Litigation Trust Interests, adjusted for prior taxable income and loss and taking into account all prior and concurrent distributions from the Litigation Trust. Similarly, taxable loss of the Litigation Trust shall be allocated by reference to the manner in which an economic loss would be borne immediately after a hypothetical liquidating distribution of the remaining Litigation Trust Assets. The tax book value of the Litigation Trust Assets for purpose of this paragraph shall equal their fair market value on the Effective Date, adjusted in accordance with tax accounting principles prescribed by the IRC, the applicable Treasury Regulations, and other applicable administrative and judicial authorities and pronouncements.

(iv) Subject to definitive guidance from the IRS or a court of competent jurisdiction to the contrary (including the receipt by the Litigation Trustee of a private letter ruling if the Litigation Trustee so requests one, or the receipt of an adverse determination by the IRS upon audit if not contested by the Litigation Trustee), the Litigation Trustee shall (A) timely elect to treat any Litigation Trust Claims Reserve as a “disputed ownership fund” governed by Treasury Regulation section 1.468B-9, and (B) to the extent permitted by applicable law, report consistently with the foregoing for state and local income tax purposes. All parties (including the Litigation Trustee, the Debtors, and the Litigation Trust Beneficiaries) shall report for United States federal, state and local income tax purposes consistently with the foregoing.

(v) The Litigation Trustee shall be responsible for payment, out of the Litigation Trust Assets, of any Taxes imposed on the trust or its assets, including the Litigation Trust Claims Reserve. In the event, and to the extent, any Cash retained on account of Disputed Claims in the Litigation Trust Claims Reserve is insufficient to pay the portion of any such Taxes attributable to the taxable income arising from the assets allocable to, or retained on account of, Disputed Claims (including any income that may arise upon the distribution of the assets of the Litigation Trust Claims Reserve), such Taxes may be (i) reimbursed from any subsequent Cash amounts retained on account of Disputed Claims, or (ii) to the extent such Disputed Claims have subsequently been resolved, deducted from any amounts otherwise distributable by the Litigation Trustee as a result of the resolution of such Disputed Claims.

(vi) The Litigation Trustee may request an expedited determination of taxes of the Litigation Trust, including the Litigation Trust Claims Reserve, under section 505(b) of the Bankruptcy Code for all tax returns filed for, or on behalf of, the Litigation Trust for all taxable periods through the dissolution of the Litigation Trust.

(3) Tax Withholdings by Litigation Trustee. The Litigation Trustee may withhold and pay to the appropriate tax authority all amounts required to be withheld pursuant to the IRC or any provision of any foreign, state or local tax law with respect to any payment or distribution to the holders of Litigation Trust Interests. All such amounts withheld and paid to the appropriate tax authority (or placed in escrow pending resolution of the need to

withhold) shall be treated as amounts distributed to such holders of Litigation Trust Interests for all purposes of the Litigation Trust Agreement. The Litigation Trustee shall be authorized to collect such tax information from the holders of Litigation Trust Interests (including, without limitation, social security numbers or other tax identification numbers) as in its sole discretion the Litigation Trustee deems necessary to effectuate the Plan, the Confirmation Order, and the Litigation Trust Agreement. This identification requirement generally applies to all holders, including those who hold their securities in street name. The Litigation Trustee may refuse to make a distribution to any holder of a Litigation Trust Interest that fails to furnish such information in a timely fashion, and until such information is delivered, and may treat such holder's Litigation Trust Interests as disputed; provided, however, that, if such information is not furnished to the Litigation Trustee within six (6) months of the original request to furnish such information, no further distributions shall be made to the holder of such Litigation Trust Interest; and, provided, further, that, upon the delivery of such information by a holder of a Litigation Trust Interest, the Litigation Trustee shall make such distribution to which the holder of the Litigation Trust Interest is entitled, without additional interest occasioned by such holder's delay in providing tax information; and, provided, further that, if the Litigation Trustee fails to withhold in respect of amounts received or distributable with respect to any such holder and the Litigation Trustee is later held liable for the amount of such withholding, such holder shall reimburse the Litigation Trustee for such liability (to the extent such amounts were actually distributed to such holder).

(4) Dissolution. The Litigation Trustee and the Litigation Trust shall be discharged or dissolved, as the case may be, upon the earlier to occur of (i) all of the Litigation Trust Assets have been distributed pursuant to the Plan and the Litigation Trust Agreement, (ii) the Litigation Trustee determines, with the consent of the Litigation Trust Board, that the administration of any remaining Litigation Trust Assets is not likely to yield sufficient additional Litigation Trust proceeds to justify further pursuit, and (iii) all distributions required to be made by the Litigation Trustee under the Plan and the Litigation Trust Agreement have been made; provided, however, in no event shall the Litigation Trust be dissolved later than three (3) years from the Effective Date unless the Bankruptcy Court, upon motion within the six-month period prior to the third (3rd) anniversary (or within the six-month period prior to the end of an extension period), determines that a fixed period extension (not to exceed three (3) years, together with any prior extensions, without a favorable private letter ruling from the IRS or an opinion of counsel satisfactory to the Litigation Trustee and the Litigation Trust Board that any further extension would not adversely affect the status of the trust as a liquidating trust for United States federal income tax purposes) is necessary to facilitate or complete the recovery and liquidation of the Litigation Trust Assets. If at any time the Litigation Trustee determines, in reliance upon such professionals as the Litigation Trustee may retain, that the expense of administering the Litigation Trust so as to make a final distribution to its beneficiaries is likely to exceed the value of the assets remaining in the Litigation Trust, the Litigation Trustee may apply to the Bankruptcy Court for authority to (i) reserve any amount necessary to dissolve the Litigation Trust, (ii) donate any balance to a charitable organization (A) described in section 501(c)(3) of the IRC, (B) exempt from United States federal income tax under section 501(a) of the IRC, (C) not a "private foundation", as defined in section 509(a) of the IRC, and (D) that is unrelated to the Debtors, the Reorganized Debtors, the Litigation Trust, and any insider of the Litigation Trustee, and (iii) dissolve the Litigation Trust.

16.14. **Indemnification of Litigation Trustee and Litigation Trust Board:** The Litigation Trustee or the individual(s) comprising the Litigation Trustee, as the case may be, the members of the Litigation Trust Board, and the Litigation Trustee's employees, agents and professionals, shall not be liable to the Litigation Trust Beneficiaries for actions taken or omitted in their capacity, except those acts arising out of their own willful misconduct or gross negligence, and each shall be entitled to indemnification and reimbursement for fees and expenses in defending any and all actions or inactions in their capacity, except for any actions or inactions involving willful misconduct or gross negligence. Any indemnification claim of the Litigation Trustee (and the other parties entitled to indemnification under this subsection) shall be satisfied solely from the Litigation Trust Assets and shall be entitled to a priority distribution therefrom, ahead of the Litigation Trust Interests and any other claim to or interest in such assets. The Litigation Trustee and the members of the Litigation Trust Board shall be entitled to rely, in good faith, on the advice of their retained professionals.

16.15. **Privileges and Obligation to Respond to Ongoing Investigations:** All attorney-work privileges, work product protections and other immunities or protections from disclosure held by the Debtors shall be transferred, assigned, and delivered to the Litigation Trust, without waiver, and shall vest in the Litigation Trustee solely in its capacity as such (and any other individual the Litigation Trustee, with the consent of the Litigation Trust Board, may designate, as well as any other individual designated in the Litigation Trust Agreement). Pursuant to Federal Rule of Evidence 502(d), no Privileges shall be waived by disclosure to the Litigation Trustee and the Trust Advisory Board of the Debtors' information subject to attorney-client privileges, work product protections, or other immunities or protections from disclosure.

## ARTICLE XVII

### PROSECUTION OF CLAIMS HELD BY THE DEBTORS

17.1. **Prosecution of Claims:** From and after the Effective Date, except as otherwise expressly provided herein, including, without limitation, Articles XVI and XXXI hereof, the Reorganized Debtors, as successor to the rights of the estates of the Debtors, shall have the sole and exclusive right to litigate (or abandon) any claims or causes of action that constituted Assets of the Debtors or Debtors in Possession, including, without limitation, any avoidance or recovery actions under sections 541, 544, 545, 547, 548, 549, 550, 551 and 553 of the Bankruptcy Code, any claims under the Shared Insurance Policies and any other causes of action, rights to payments of claims that may be pending on the Effective Date, to a Final Order, and may compromise and settle such claims, without further approval of the Bankruptcy Court.

## ARTICLE XVIII

### ACCEPTANCE OR REJECTION OF PLAN; EFFECT OF REJECTION BY ONE OR MORE CLASSES OF CLAIMS OR EQUITY INTERESTS

18.1. **Impaired Classes to Vote:** Each holder of a Claim or Equity Interest in an impaired Class, not otherwise deemed to have accepted or rejected the Plan in accordance with Article XVIII of the Plan, shall be entitled to vote separately to accept or reject the Plan.

18.2. **Acceptance by Class of Creditors:** An impaired Class of holders of Claims shall have accepted the Plan if the Plan is accepted by at least two-thirds (2/3) in dollar amount and more than one-half (1/2) in number of the Allowed Claims of such Class that have voted to accept or reject the Plan, including Claims estimated for voting purposes.

18.3. **Cramdown:** In the event that any impaired Class of Claims or Equity Interests shall fail to accept, or be deemed to reject, the Plan in accordance with section 1129(a) of the Bankruptcy Code, the Debtors reserve the right to request, with the consent of the Requisite Lenders and the Oak Hill Entities, that the Bankruptcy Court confirm the Plan in accordance with section 1129(b) of the Bankruptcy Code or amend the Plan.

## ARTICLE XIX

### IDENTIFICATION OF CLAIMS AND EQUITY INTERESTS IMPAIRED AND NOT IMPAIRED BY THE PLAN

19.1. **Impaired and Unimpaired Classes:** Claims in Classes 1, 3, 10, 11 and 12 are not impaired under the Plan. Claims and Equity Interests in Classes 2, 4 through 9 and 13 through 26 are impaired under the Plan.

19.2. **Impaired Classes Entitled to Vote on Plan:** The Claims in Classes 2 and 4 through 6 are impaired and receiving distributions pursuant to the Plan and are therefore entitled to vote to accept or reject the Plan.

19.3. **Claims and Equity Interests Deemed to Reject:** The Claims and Equity Interests in Classes 7 through 9 and 13 through 26 are not entitled to receive any distributions or retain their Equity Interests pursuant to the Plan, and are deemed to reject the Plan and are not entitled to accept or reject the Plan.

19.4. **Controversy Concerning Impairment:** In the event of a controversy as to whether any Class of Claims or Equity Interests is impaired under the Plan, the Bankruptcy Court shall, after notice and a hearing, determine such controversy.

## ARTICLE XX

### PROVISIONS REGARDING DISTRIBUTIONS

20.1. **Distributions of Cash to Allowed Claims:** Unless otherwise provided herein, on the Effective Date, the Disbursing Agent or the Litigation Trustee, as the case may be, shall distribute to each holder of an Allowed Administrative Expense Claim, Allowed Priority Claim or Allowed General Unsecured Claim (or cause to be distributed to each holder of a Disputed Claim in accordance with Section 16.9 hereof) the distributions set forth in Articles III, V, VIII and IX hereof.

20.2. **Sources of Cash for Distribution:** Except as otherwise provided in this Plan or the Confirmation Order, all Cash required for the payments to be made to Allowed Claims shall be from the Debtors' Cash, the DIP Agreement, the Oak Hill 1110 Stipulation and the Exit Facility.

20.3. **Timeliness of Payments:** Any payments or distributions to be made pursuant to the Plan shall be deemed to be timely made if made within fifteen (15) days after the date therefor specified in the Plan. Whenever any distribution to be made under this Plan shall be due on a day other than a Business Day, such distribution shall instead be made, without interest, on the immediately succeeding Business Day, but shall be deemed to have been made on the date due.

20.4. **Distributions by the Disbursing Agent:**

(a) **Payment by Check or Wire:** All distributions to be made pursuant to the Plan shall be made by the Disbursing Agent at the direction of the Reorganized Debtors. The Disbursing Agent shall be deemed to hold all property to be distributed hereunder in trust for the Persons entitled to receive the same. The Disbursing Agent shall not hold an economic or beneficial interest in such property.

(b) **Distributions:**

(i) All distributions of notes in connection with the Exit Term Loans and Reorganized Southern Air Parent Common Stock and the Prepetition Lender Warrants to the Prepetition Lenders or their respective U.S. LLC Designee, as the case may be, pursuant to Section 6.1 hereof shall be made by, or at the direction of, the applicable Disbursing Agent on behalf of Reorganized Cargo 360 or Cargo LLC, as the case may be;

(ii) All distributions of notes, Reorganized Southern Air Parent Common Stock or Cash, as applicable, in connection with the Exit Term Loans and the Equity Payment to the DIP Lenders or their respective U.S. LLC Designee, as the case may be, pursuant to Section 3.3(a) hereof shall be made by, or at the direction of, the applicable Disbursing Agent on behalf of Reorganized Cargo 360 or Cargo LLC, as the case may be;

(iii) All distributions of Reorganized Southern Air Parent Common Stock and Oak Hill Warrants to the Oak Hill Entities pursuant to Sections 2.1(d) and 3.4 hereof shall be made by, or at the direction of, the applicable Disbursing Agent on behalf of Reorganized Southern Air Parent;

(iv) All distributions of Reorganized Southern Air Parent Common Stock and Southern Management Warrants to Southern Management pursuant to Section 28.2 hereof shall be made by, or at the direction of, the applicable Disbursing Agent on behalf of Reorganized Southern Air Parent; and

(v) All distributions of Cash under the Plan shall be made by, or at the direction of, the applicable Disbursing Agent on behalf of the applicable Debtor.

20.5. **Manner of Payment under the Plan:** Unless the Entity receiving a payment agrees otherwise, any payment in Cash to be made pursuant to this Plan, at the election of the Disbursing Agent shall be made, by check drawn on a domestic bank or by wire transfer from a domestic bank; provided, however, that no Cash payments shall be made to a holder of an



Allowed Claim until such time, if ever, as the amount payable thereto is equal to or greater than Ten Dollars (\$10.00).

20.6. **Delivery of Distributions:** Subject to the provisions of Rule 9010 of the Bankruptcy Rules, and except as provided in Section 20.5 of the Plan, distributions and deliveries to holders of Allowed Claims shall be made at the address of each such holder as set forth on the Schedules filed with the Bankruptcy Court unless superseded by the address set forth on a proof of claim filed by such holder, or at the last known address of such a holder if no proof of claim is filed or if the Debtors have been notified in writing of a change of address.

20.7. **Undeliverable Distributions:**

(a) **Holding of Undeliverable Distributions:** If any distribution to any holder is returned to the Reorganized Debtors as undeliverable, no further distributions shall be made to such holder unless and until the Reorganized Debtors are notified, in writing, of such holder's then-current address. Undeliverable distributions shall remain in the possession of the Reorganized Debtors until such time as a distribution becomes deliverable. All Entities ultimately receiving undeliverable Cash shall not be entitled to any interest or other accruals of any kind. Nothing contained in the Plan shall require the Reorganized Debtors to attempt to locate any holder of an Allowed Claim.

(b) **Failure to Claim Undeliverable Distributions:** On or about the six (6) month anniversary of the Effective Date, the Reorganized Debtors shall file a list with the Bankruptcy Court setting forth the names of those Entities for which distributions have been made hereunder and have been returned as undeliverable as of the date thereof. Any holder of an Allowed Claim that does not assert its rights pursuant to the Plan to receive a distribution within one (1) year from and after the Effective Date shall have its entitlement to such undeliverable distribution discharged and shall be forever barred from asserting any entitlement pursuant to the Plan against the Reorganized Debtors or their property. In such case, any consideration held for distribution on account of such Claim shall revert to the Disbursing Agent for purposes of calculating and distributing "Creditor Cash" to the extent such undeliverable distribution is on account of an Allowed General Unsecured Claim.

20.8. **Withholding and Reporting Requirements:**

(a) **Withholding Rights.** In connection with the Plan and all instruments issued in connection therewith and distributed thereon, any party issuing any instrument or making any distribution described in the Plan shall comply with all applicable withholding and reporting requirements imposed by any federal, state, or local taxing authority, and all distributions pursuant to the Plan and all related agreements shall be subject to any such withholding or reporting requirements. In the case of a non-Cash distribution that is subject to withholding, the distributing party may withhold an appropriate portion of such distributed property and sell such withheld property to generate Cash necessary to pay over the withholding tax. Any amounts withheld pursuant to the preceding sentence shall be deemed to have been distributed to and received by the applicable recipient for all purposes of the Plan. Notwithstanding the foregoing, each holder of an Allowed Claim or Equity Interest or any other Person that receives a distribution pursuant to the Plan shall have responsibility for any taxes

imposed by any governmental unit, including, without limitation, income, withholding, and other taxes, on account of such distribution. Any party issuing any instrument or making any distribution pursuant to the Plan has the right, but not the obligation, to not make a distribution until such holder has made arrangements satisfactory to such issuing or disbursing party for payment of any such tax obligations.

(b) Forms. Any party entitled to receive any property as an issuance or distribution under the Plan shall be required to deliver to the Disbursing Agent or some other Person designated by the Debtors (which entity shall subsequently deliver to the Disbursing Agent any applicable Form W-8 or Form W-9 received) an appropriate Form W-9 or (if the payee is a foreign Person) Form W-8, unless such Person is exempt under the Tax Code and so notifies the Disbursing Agent.

20.9. **Time Bar to Cash Payments**: Checks issued by the Reorganized Debtors on account of Allowed Claims shall be null and void if not negotiated within ninety (90) days from and after the date of issuance thereof. Requests for reissuance of any check shall be made directly to the Disbursing Agent by the holder of the Allowed Claim with respect to which such check originally was issued. Any claim in respect of a voided check shall be made on or before the later of (a) the first (1st) anniversary of the Effective Date or (b) ninety (90) days after the date of issuance of such check, if such check represents a final distribution hereunder on account of such Claim. After such date, all Claims in respect of voided checks shall be discharged and forever barred and all monies related thereto shall be remitted to the Disbursing Agent for purposes of calculating and distributing as “Creditor Cash,” to the extent relating to General Unsecured Claims.

20.10. **Distributions After Effective Date**: Distributions made after the Effective Date to holders of Claims that are not Allowed Claims as of the Effective Date, but which later become Allowed Claims shall be deemed to have been made in accordance with the terms and provisions of Section 19.1 of the Plan.

20.11. **Setoffs**: Except with respect to the DIP Claims, the Prepetition Lender Claims, the Prepetition Lender Deficiency Claims and claims arising from or related to the Oak Hill 1110 Stipulation or the OHAA Funding Agreement, the Disbursing Agent may, pursuant to applicable bankruptcy or non-bankruptcy law, set off against any Allowed Claim and the distributions to be made pursuant to the Plan on account thereof (before any distribution is made on account of such Claim), the claims, rights and causes of action of any nature against the holder of such Allowed Claim; provided, however, that neither the failure to effect such a setoff nor the allowance of any Claim hereunder shall constitute a waiver or release by the Debtors of any such claims, rights and causes of action that the Debtors may possess against such holder; and, provided, further, that nothing contained herein is intended to limit the ability of any Creditor to effectuate rights of setoff or recoupment preserved or permitted by the provisions of sections 553, 555, 559 or 560 of the Bankruptcy Code or pursuant to the common law right of recoupment.

20.12. **Allocation of Plan Distributions Between Principal and Interest**: To the extent that any Allowed Claim entitled to a distribution under the Plan is comprised of indebtedness and accrued but unpaid interest thereon, such distribution shall be allocated first to the principal amount of the Claim (as determined for federal income tax purposes) and then, to

the extent the consideration exceeds the principal amount of the Claim, to accrued but unpaid interest or original issue discount. All of the parties (including, without limitation, the Debtors or the Reorganized Debtors) agree to report such transfers consistently with the foregoing for federal, state and local income tax purposes.

20.13. **Exemption from Securities Law**: To the fullest extent provided for in section 1145 of the Bankruptcy Code, the issuance of the Reorganized Southern Air Parent Common Stock and any other securities to be issued pursuant to the Plan, on account of, and in exchange for, Claims (including, without limitation, Administrative Expense Claims) against the Debtors, cash and/or property shall be exempt from registration pursuant to section 5 of the Securities Act of 1933 and any other applicable non-bankruptcy law or regulation.

20.14. **Issuance of Reorganized Southern Air Parent Common Stock, Prepetition Lender Warrants, Southern Management Warrants and Oak Hill Warrants**: On the Effective Date, Reorganized Southern Air Parent shall (a) issue Reorganized Southern Air Parent Common Stock, Southern Management Warrants, Oak Hill Warrants and Prepetition Lender Warrants, (b) distribute Reorganized Southern Air Common Stock and Prepetition Lender Warrants to the holders of Allowed Prepetition Lender Claims or their respective U.S. LLC Designee, as the case may be, in accordance with Sections 3.3(a) and 6.1 hereof; provided, however, that, if Reorganized Southern Air Parent is Holdings, Reorganized Southern Air Parent shall contribute Prepetition Lender Reorganized Southern Air Parent Common Stock and Prepetition Lender Warrants as a capital contribution to Cargo 360 in an amount equal to the shares of Reorganized Southern Air Parent Common Stock to be distributed by Reorganized Cargo 360 pursuant to the Plan to the holders of Allowed Prepetition Lender Claims or their respective U.S. LLC Designee, as the case may be, pursuant to Section 6.1(b) hereof, (c) distribute shares of Reorganized Southern Air Parent Common Stock to Southern Management pursuant to Section 28.2 hereof, and (d) distribute the Oak Hill Warrants and Reorganized Southern Air Parent Common Stock to OHAA or OHAA Designee pursuant to Sections 2.1(d) and 3.4 hereof. On the Effective Date, Reorganized Cargo 360 will distribute shares of Reorganized Southern Air Parent Common Stock and Prepetition Lender Warrants to the holders of Allowed Prepetition Lender Claims or their respective U.S. LLC Designee, as the case may be, pursuant to Section 6.1(b) hereof.

## ARTICLE XXI

### CREDITORS' COMMITTEE

21.1. **Dissolution of the Creditors' Committee**: On the Effective Date, the Creditors' Committee shall be dissolved and the members thereof shall be released and discharged of and from all further authority, duties, responsibilities and obligations related to and arising from and in connection with the reorganization, and the retention or employment of the Creditors' Committee's attorneys, accountants and other agents, if any, shall terminate other than for purposes of filing and prosecuting applications for final allowances of compensation for professional services rendered and reimbursement of expenses incurred in connection therewith; provided, however, that notwithstanding the foregoing, under no circumstances shall the aggregate amount of fees and expenses of the Creditors' Committee and its attorneys,

accountants, and other agents sought to be allowed in accordance with such applications be in excess of Four Hundred Ninety-Five Thousand Dollars (\$495,000.00).

## ARTICLE XXII

### EXECUTORY CONTRACTS AND UNEXPIRED LEASES

22.1. **Assumption and Assignment of Executory Contracts and Unexpired Leases:** On the Effective Date, the Debtors shall reject all executory contracts and unexpired leases that (i) have not previously been assumed and assigned or rejected with the approval of the Bankruptcy Court, (ii) are not as of the Confirmation Date the subject of a motion to assume or reject, (iii) have not expired by their own terms on or prior to the Confirmation Date (iv) are not listed on the Schedule of “Assumed and Assigned Executory Contracts and Unexpired Leases” filed with the Bankruptcy Court, and served on parties whose executory contracts and unexpired leases are intended to be assumed, seven (7) days prior to the Ballot Date, which executory contracts and unexpired leases will be assumed and assigned to Reorganized Southern Air as of the Effective Date. Entry of the Confirmation Order by the Bankruptcy Court shall constitute approval of such assumptions and assignments and rejections pursuant to sections 365(a) and 1123 of the Bankruptcy Code. The Debtors or Reorganized Debtors, as applicable, reserve the right to modify and amend, upon consultation with the Requisite Lenders and the Oak Hill Entities, the Schedule of Assumed and Assigned Executory Contracts and Unexpired Leases to add or delete any executory contracts or unexpired leases therefrom or modify any cure amount at any time through and including fifteen (15) days after the Effective Date. The Debtors shall provide any amendments to the Schedule of Assumed and Assigned Executory Contracts and Unexpired Leases to the parties to the executory contracts and unexpired leases.

(a) The Oak Hill Leases shall be included on the Schedule of Assumed and Assigned Executory Contracts and Unexpired Leases and, on the Effective Date, shall be assumed as amended in the form of the Oak Hill Lease Amendments pursuant to the Confirmation Order, and any and all defaults under the Oak Hill Leases outstanding on or before the Effective Date shall be cured (or waived, as set forth in the Oak Hill Lease Amendments) in accordance with section 365(b) of the Bankruptcy Code.

(b) In the event of a dispute as to whether a contract or lease is executory or unexpired, the right of the Debtors or Reorganized Debtors to move to assume or reject such contract or lease shall be extended until the date that is thirty (30) days after the entry of a Final Order by the Court determining that the contract or lease is executory or unexpired. The deemed rejection provided for in Section 22.1 of the Plan shall not apply to such contract or lease.

(c) If the Debtors or the Reorganized Debtors become aware after the Effective Date of the existence of an executory contract or unexpired lease that was not included in the Schedules, the right of the Reorganized Debtors to move to assume or reject such contract or lease shall be extended until the date that is thirty (30) days after the date on which the Debtors or the Reorganized Debtors become aware of the existence of such contract or lease. The deemed rejections provided for in Section 22.1 of the Plan shall not apply to any such contract or lease.

22.2. **Assumption of General Liability Insurance Policies:** On the Effective Date, the Reorganized Debtors shall assume and, to the extent the applicable coverage period extends beyond the Effective Date, all General Liability Insurance Policies and each General Liability Insurance Carrier providing insurance pursuant to a General Liability Insurance Policy shall continue to provide coverage to the Reorganized Debtors in accordance with the terms and provisions set forth therein, including, without limitation, remitting to the Reorganized Debtors such amounts of excess collateral or surplus premiums in accordance with the General Liability Insurance Policy.

22.3. **Cure of Defaults for Assumed Executory Contracts and Unexpired Leases:** The Schedule of Assumed and Assigned Executory Contracts and Unexpired Leases shall designate the cure amount owing with respect to each such executory contract and unexpired lease to be assumed pursuant to Section 22.1 hereof. Except as otherwise provided herein with respect to the Oak Hill Leases, any monetary amounts required as cure payments on each executory contract and unexpired lease to be assumed and assigned to Reorganized Southern Air pursuant to the Plan shall be satisfied, pursuant to section 365(b)(1) of the Bankruptcy Code, by payment by Reorganized Southern Air of the cure amount in Cash on the later of Effective Date or as soon as practicable after resolution of any dispute as to such cure amount, or on such other terms and dates as the parties to such executory contracts or unexpired leases otherwise may agree. In the event of a dispute regarding (a) the amount of any cure payment, (b) the ability of Reorganized Southern Air to provide “adequate assurance of future performance” (within the meaning of section 365 of the Bankruptcy Code) under the contract or lease to be assumed or (c) any other matter pertaining to assumption arises, the cure payments required by section 365(b)(1) of the Bankruptcy Code shall be subject to the jurisdiction of the Bankruptcy Court and made following the entry of a Final Order resolving such dispute; provided, however, that any objections to the cure amount listed on the Schedule of Assumed and Assigned Executory Contracts and Unexpired Leases must be filed the later of (i) thirty (30) days after any amendment to the Schedule of Assumed and Assigned Executory Contracts and Unexpired Leases has been filed or (ii) thirty (30) days after the Effective Date. To the extent such dispute relates only to the cure amount, the Debtors may assume and assign such executory contract or unexpired lease prior to resolution thereof, provided that the Debtors reserve Cash in the amount sufficient to pay the full amount asserted by the non-Debtor party to the subject executory contract or unexpired lease (or such lesser amount as may be estimated by the Bankruptcy Court). Any party that fails to object in accordance with the provisions of this Section 22.3, shall be forever barred, estopped, and enjoined from disputing the cure amount (including a cure amount of \$0.00) and/or from asserting any Claim against the Debtors.

22.4. **Modifications, Amendments, Supplements, Restatements or Other Agreements:**

(a) Unless otherwise provided by this Plan or by separate order of the Bankruptcy Court, each executory contract and unexpired lease that is assumed, whether or not such executory contract or unexpired lease relates to the use, acquisition or occupancy of real property, shall include (i) all modifications, amendments, supplements, restatements or other agreements made directly or indirectly by any agreement, instrument or other document that in any manner affects such executory contract or unexpired lease and (ii) all executory contracts or unexpired leases appurtenant to the premises, if any, including all easements, licenses, permits,

rights, privileges, immunities, options, rights of first refusal, powers, uses, reciprocal easement agreements and any other interests in real estate or rights in remedy related to such premises, unless any of the foregoing agreements has been or is rejected pursuant to an order of the Bankruptcy Court or is otherwise rejected as part of this Plan.

(b) Modifications, amendments, supplements and restatements to pre-petition executory contracts and unexpired leases that have been executed by the Debtors during the Chapter 11 Cases and actions taken in accordance therewith, (i) do not alter in any way the pre-petition nature of the executory contracts and unexpired leases, or the validity, priority or amount of any Claims against the Debtors that may arise under the same, (ii) are not and do not create post-petition contracts or leases, (iii) do not elevate to administrative expense priority any Claims of the counterparties to the executory contracts and unexpired leases against any of the Debtors and (iv) do not entitle any entity to a Claim under any section of the Bankruptcy Code on account of the difference between the terms of any pre-petition executory contracts or unexpired leases and subsequent modifications, amendments, supplements or restatements.

22.5. **Rejection Damage Claims:** If the rejection of an executory contract or unexpired lease by the Debtors hereunder results in damages to the other party or parties to such contract or lease, any claim for such damages, if not heretofore evidenced by a filed proof of claim, shall be forever barred and shall not be enforceable against the Debtors, or its properties or agents, successors, or assigns, unless a proof of claim is filed with the Bankruptcy Court and served upon attorneys for the Debtors on or before thirty (30) days after the later to occur of (a) the Confirmation Date and (b) notice of an amendment to the Schedule of Assumed and Assigned Executory Contracts and Unexpired Leases.

22.6. **Indemnification and Reimbursement Obligations:** For purposes of the Plan, (a) the obligations of the Debtors to indemnify and reimburse their directors or officers that were directors or officers, respectively, on or subsequent to the Petition Date, shall be assumed by the Reorganized Debtors and (b) indemnification obligations of the Debtors arising from services as officers and directors during the period from and after the Petition Date shall be Administrative Expense Claims to the extent authorized by a Final Order, upon notice and a hearing. On or prior to the Effective Date, the Debtors shall purchase continuing director and officer insurance coverage for such directors and officers with a tail period of six (6) years for an aggregate premium of no greater than Two Hundred Thousand Dollars (\$200,000.00) unless otherwise agreed to by the Consenting Lenders and the Oak Hill Entities.

22.7. **Other Section 1110 Agreements:** On the earliest to occur of (a) the Effective Date, (b) the date upon which an executory contract or unexpired lease governed by section 1110 of the Bankruptcy Code is rejected or deemed rejected pursuant to an order of the Bankruptcy Court, and (c) such executory contract or unexpired lease expires or is terminated in accordance with the terms and provisions thereof, the Other Section 1110 Agreement relating thereto shall be terminated.

## ARTICLE XXIII

### RIGHTS AND POWERS OF DISBURSING AGENT

23.1. **Exculpation**: From and after the Effective Date, the Disbursing Agent, in its capacity as such, shall be exculpated by all Persons and Entities, including, without limitation, holders of Claims and other parties in interest, from any and all claims, causes of action and other assertions of liability arising out of the discharge of the powers and duties conferred upon such Disbursing Agent by the Plan or any order of the Bankruptcy Court entered pursuant to or in furtherance of the Plan, or applicable law, except for actions or omissions to act arising out of the gross negligence or willful misconduct of such Disbursing Agent. No holder of a Claim or other party in interest shall have or pursue any claim or cause of action against the Disbursing Agent for making payments in accordance with the Plan or for implementing the provisions of the Plan.

23.2. **Powers of the Disbursing Agent**: The Disbursing Agent shall be empowered to (a) take all steps and execute all instruments and documents necessary to effectuate the Plan, (b) make distributions contemplated by the Plan, (c) comply with the Plan and the obligations thereunder, and (d) exercise such other powers as may be vested in the Disbursing Agent pursuant to an order of the Bankruptcy Court, pursuant to the Plan, or as deemed by the Disbursing Agent to be necessary and proper to implement the provisions of the Plan.

23.3. **Fees and Expenses Incurred From and After the Effective Date**: Except as otherwise ordered by the Bankruptcy Court, the amount of any reasonable fees and expenses incurred by the Disbursing Agent from and after the Effective Date and any reasonable compensation and expense reimbursement claims, including, without limitation, reasonable fees and expenses of counsel, made by the Disbursing Agent, shall be paid from Creditor Cash without further order of the Bankruptcy Court within fifteen (15) days of submission of an invoice by the Disbursing Agent.

## ARTICLE XXIV

### THE REORGANIZED DEBTORS PLAN ADMINISTRATOR

24.1. **Appointment of Reorganized Debtors Plan Administrator**: On the Effective Date, compliance with the provisions of the Plan shall become the general responsibility of the Reorganized Debtors Plan Administrator pursuant to and in accordance with the provisions of the Plan and the Reorganized Debtors Plan Administration Agreement.

24.2. **Responsibilities of the Reorganized Debtors Plan Administrator**: In accordance with the Reorganized Debtors Plan Administration Agreement, the responsibilities of the Reorganized Debtors Plan Administrator may include (a) facilitating the Reorganized Debtors' prosecution or settlement of objections to and estimations of Claims, (b) prosecution or settlement of claims and causes of action held by the Debtors and Debtors in Possession, (c) calculating and assisting the Disbursing Agent in implementing all distributions in accordance with the Plan, (d) filing all required tax returns and paying taxes and all other obligations on behalf of the Reorganized Debtors from funds held by the Reorganized Debtors, (e) periodic

reporting to the Bankruptcy Court, of the status of the Claims resolution process, distributions on Allowed Claims and prosecution of causes of action, and (f) with the consent of the Requisite Lenders and the Oak Hill Entities, such other responsibilities as may be vested in the Reorganized Debtors Plan Administrator pursuant to the Plan, the Reorganized Debtors Plan Administration Agreement or Bankruptcy Court order or as may be necessary and proper to carry out the provisions of the Plan.

24.3. **Powers of the Reorganized Debtors Plan Administrator:** The powers of the Reorganized Debtors Plan Administrator may, without any further Bankruptcy Court approval in each of the following cases, include (a) the power to invest funds in, and withdraw, make distributions and pay taxes and other obligations owed by the Reorganized Debtors from funds held by the Reorganized Debtors Plan Administrator and/or the Reorganized Debtors in accordance with the Plan, (b) the power to compromise and settle claims and causes of action on behalf of or against the Reorganized Debtors and (c) with the consent of the Requisite Lenders and the Oak Hill Entities, such other powers as may be vested in or assumed by the Reorganized Debtors Plan Administrator pursuant to the Plan, the Reorganized Debtors Plan Administration Agreement or as may be deemed necessary and proper to carry out the provisions of the Plan.

24.4. **Compensation of the Reorganized Debtors Plan Administrator:** The Reorganized Debtors Plan Administrator (to the extent a Person or Entity other than a Reorganized Debtor) shall be entitled to receive reimbursement for actual out-of-pocket expenses and reasonable compensation for services rendered on behalf of the Reorganized Debtors in an amount and on such terms as may be reflected in the Reorganized Debtors Plan Administration Agreement.

24.5. **Termination of Reorganized Debtors Plan Administrator:** The duties, responsibilities and powers of the Reorganized Debtors Plan Administrator shall terminate pursuant to the terms of the Reorganized Debtors Plan Administration Agreement.

## ARTICLE XXV

### CONDITIONS PRECEDENT TO CONFIRMATION AND EFFECTIVE DATE OF THE PLAN; IMPLEMENTATION PROVISIONS

25.1. **Conditions Precedent to Confirmation of the Plan:** Confirmation of the Plan is subject to satisfaction of the following conditions precedent:

(a) **Entry of the Confirmation Order.** The Clerk of the Bankruptcy Court shall have entered the Confirmation Order, in form and substance reasonably acceptable to the Debtors, the Requisite Lenders, the Required DIP Lenders and the Oak Hill Entities.

(b) **Plan Supplement.** The Plan Supplement shall have been filed prior to the Confirmation Hearing.

25.2. **Conditions Precedent to Effective Date of the Plan:** The occurrence of the Effective Date and the substantial consummation of the Plan are subject to satisfaction of the following conditions precedent:



(a) Entry of the Confirmation Order. The Clerk of the Bankruptcy Court shall have entered the Confirmation Order, in form and substance reasonably satisfactory to the Debtors, the Requisite Lenders, the Required DIP Lenders and the Oak Hill Entities, and the effectiveness of the Confirmation Order shall have not otherwise been stayed.

(b) Effective Date. The Effective Date shall occur on or before March 31, 2013.

(c) Plan Support Agreement Still in Effect. The Plan Support Agreement shall not have terminated in accordance with its terms.

(d) Exit Facility. The Exit Facility shall have been executed and delivered; provided, however, that, in the event that the Debtors obtain alternative financing with respect to their obligations in connection with the DIP New Money Loan, the DIP Roll-Up Loan, or both, the execution and delivery of such alternative documentation and the payment, in Cash, on account of such DIP Lender Claims shall be in accordance with the terms and provisions of the Plan.

(e) Regulatory Approvals. The Reorganized Debtors shall have received the authorizations, consents, regulatory approvals, rulings, letters, no-action letters, opinions or documents that are necessary to implement the Plan and that are required by law, regulations or order.

(f) Consents. The Debtors shall have received all authorizations, consents, regulatory approvals, rulings, letters, no-action letters, opinions, or documents that are necessary to implement the Plan and that are required by law, regulation or order.

(g) Restructuring Documents. Each of the Restructuring Documents (as defined in the Plan Support Agreement), including, without limitation, the documents included in the Plan Supplement, shall be (i) consistent with the applicable terms of the Plan Support Agreement (and contain no other provisions materially adverse to the Prepetition Lenders, the DIP Lenders or the Oak Hill Entities) and (ii) in form and substance reasonably acceptable to the Requisite Lenders, the Required DIP Lenders and the Oak Hill Entities. Any conditions in such documents (other than the occurrence of the Effective Date or the certification by a Debtor that the Effective Date has occurred) shall have been satisfied or waived in accordance with the terms of such documents.

(h) Issuance of Reorganized Southern Air Parent Common Stock and Warrants. The Reorganized Southern Air Parent Common Stock, the Oak Hill Warrants and the Prepetition Lender Warrants to be issued pursuant to the Plan shall be consistent with the applicable terms of the Plan Support Agreement (and contain no other provisions materially adverse to the Prepetition Lenders, the DIP Lenders or the Oak Hill Entities) and shall have been issued concurrently with the Effective Date.

(i) Collective Bargaining. The Debtors shall have completed and received authorization for the execution and delivery of an extension of their collective bargaining agreement and/or similar union-related agreements, on terms satisfactory to the Requisite Lenders.

(j) Execution of Documents; Other Actions. All other actions and documents necessary to implement the Plan shall have been effected or executed, including, but not limited to the Reorganized Debtors Plan Administrator Agreement, if applicable, and shall be consistent with the applicable terms of the Plan Support Agreement (and contain no other provisions materially adverse to the Prepetition Lenders, the DIP Lenders or the Oak Hill Entities).

25.3. Waiver of Conditions Precedent: To the extent practicable and legally permissible, each of the conditions precedent in Section 25.1 or 25.2 hereof, may be waived, in whole or in part, only with the approval of the Debtors, the Requisite Lenders, the Required DIP Lenders and the Oak Hill Entities. Any such waiver of a condition precedent may be effected at any time by filing a notice thereof with the Bankruptcy Court.

25.4. Effect of Failure of Conditions: In the event that the Confirmation Order has been entered, but the Effective Date does not occur on or before March 31, 2013, or such other date as may be agreed upon, in writing, by the Debtors, the Requisite Lenders, the Required DIP Lenders and the Oak Hill Entities, upon notification submitted by the Debtors to the Bankruptcy Court, for any reason other than the actions of the Consenting Lenders or the Oak Hill Entities that do not constitute a valid basis for termination of the Plan Support Agreement: (a) the Confirmation Order shall be deemed vacated; (b) no distributions under the Plan shall be made; (c) the Debtors and all holders of Claims and Equity Interests shall be restored to the *status quo ante* as of the day immediately preceding the Confirmation Date, as though the Confirmation Order had not been entered by the Bankruptcy Court; and (d) the Debtors' obligations with respect to the Claims and Equity Interests shall remain unchanged and nothing contained in the Plan shall constitute or be deemed a waiver or release of any Claims or Equity Interests by or against the Debtors or any other person or to prejudice in any manner the rights of the Debtors or any Person or Entity in any further proceedings involving the Debtors unless extended by an order of a court of competent jurisdiction.

25.5. Vacatur of Confirmation Order: If a Final Order denying confirmation of the Plan is entered, or if the Confirmation Order is vacated or deemed vacated, then the Plan shall be deemed null and void in all respects, and nothing contained in the Plan shall (a) constitute a waiver or release of any Claims against or Equity Interests in the Debtors, (b) prejudice in any manner the rights of the holder of any Claim against, or Equity Interest in, the Debtors, (c) prejudice in any manner any right, remedy or claim of the Debtors, or (d) be deemed an admission against interest by the Debtors or any other Person or Entity.

## ARTICLE XXVI

### RETENTION OF JURISDICTION

26.1. Retention of Jurisdiction: The Bankruptcy Court shall retain and have exclusive jurisdiction over any matter arising under the Bankruptcy Code, arising in or related to the Chapter 11 Cases or the Plan, or that relates to the following:

(a) to resolve any matters related to the assumption, assumption and assignment or rejection of any executory contract or unexpired lease to which a Debtor is a party or with respect to which a Debtor may be liable and to hear, determine and, if necessary,

liquidate, any Claims arising therefrom, including those matters related to the amendment after the Effective Date of the Plan, to add any executory contracts or unexpired leases to the list of executory contracts and unexpired leases to be assumed;

(b) to enter such orders as may be necessary or appropriate to implement or consummate the provisions of the Plan and all contracts, instruments, releases, and other agreements or documents created in connection with the Plan, unless any such agreements or documents contain express enforcement and dispute resolution provisions to the contrary, in which case, such provisions shall govern;

(c) to determine any and all motions, adversary proceedings, applications and contested or litigated matters that may be pending on the Effective Date or that, pursuant to the Plan, may be instituted by the Reorganized Debtors prior to or after the Effective Date;

(d) to ensure that distributions to holders of Allowed Claims are accomplished as provided herein;

(e) to hear and determine any timely objections to Administrative Expense Claims or to proofs of Claim filed, both before and after the Confirmation Date, including any objections to the classification of any Claim, and to allow, disallow, determine, liquidate, classify, estimate or establish the priority of or secured or unsecured status of any Claim, in whole or in part;

(f) to enter and implement such orders as may be appropriate in the event the Confirmation Order is for any reason stayed, revoked, modified, reversed or vacated;

(g) to issue such orders in aid of execution of the Plan, to the extent authorized by section 1142 of the Bankruptcy Code;

(h) to consider any modifications of the Plan, to cure any defect or omission, or reconcile any inconsistency in any order of the Bankruptcy Court, including the Confirmation Order;

(i) to hear and determine all applications for awards of compensation for services rendered and reimbursement of expenses incurred prior to the Effective Date;

(j) to issue injunctions, enter and implement other orders or take such other actions as may be necessary or appropriate to restrain interference by any Entity with consummation or enforcement of the Plan;

(k) to determine any other matters that may arise in connection with or are related to the Plan, the Disclosure Statement, the Confirmation Order or any contract, instrument, release or other agreement or document created in connection with the Plan or the Disclosure Statement;

(l) to hear and determine matters concerning state, local and federal taxes in accordance with sections 346, 505, and 1146 of the Bankruptcy Code;

(m) to hear any other matter or for any purpose specified in the Confirmation Order that is not inconsistent with the Bankruptcy Code; and

(n) to enter a final decree closing the Chapter 11 Cases;

provided, however, that the foregoing is not intended to (1) expand the Bankruptcy Court's jurisdiction beyond that allowed by applicable law, (2) impair the rights of an Entity to (i) invoke the jurisdiction of a court, commission or tribunal with respect to matters relating to a governmental unit's police and regulatory powers and (ii) contest the invocation of any such jurisdiction; provided, however, that the invocation of such jurisdiction, if granted, shall not extend to the allowance or priority of Claims or the enforcement of any money judgment against the Debtors or the Reorganized Debtors, as the case may be, entered by such court, commission or tribunal, (3) impair the rights of an Entity to (i) seek the withdrawal of the reference in accordance with 28 U.S.C. § 157(d) and (ii) contest any request for the withdrawal of reference in accordance with 28 U.S.C. § 157(d) or (4) expand the Bankruptcy Court's jurisdiction, from and after the Effective Date, over any matter arising under or related to the Oak Hill Leases or the OHAA Funding Agreement, with jurisdiction over any such matters being determined in accordance with the respective provisions thereof.

## ARTICLE XXVII

### MODIFICATION, REVOCATION, OR WITHDRAWAL OF THE PLAN

27.1. **Modification of Plan:** The Debtors reserve the right, in accordance with the Bankruptcy Code and the Bankruptcy Rules, except in the event any amendment or modification would materially adversely affect the substance of the provisions set forth in the Plan or the Plan Support Agreement, to amend or modify the Plan, the Plan Supplement, or any exhibit to the Plan at any time prior to the entry of the Confirmation Order, subject in each case to the consent of the Requisite Lenders, the Required DIP Lenders and the Oak Hill Entities. Upon entry of the Confirmation Order, the Debtors may, with the consent of the Requisite Lenders, the Required DIP Lenders and the Oak Hill Entities, upon order of the Bankruptcy Court, amend or modify the Plan, in accordance with section 1127(b) of the Bankruptcy Code, or remedy any defect or omission or reconcile any inconsistency in the Plan in such manner as may be necessary to carry out the purpose and intent of the Plan, subject in each case to the terms of the Plan Support Agreement. A holder of a Claim that has accepted the Plan shall be deemed to have accepted the Plan as modified if the proposed modification does not materially and adversely change the treatment of the Claim of such holder.

27.2. **Revocation or Withdrawal:**

(1) Subject to the terms of, and without prejudice to the rights of any party to the Plan Support Agreement, the Plan may be revoked or withdrawn prior to the Confirmation Date by the Debtors, acting jointly.

(2) If the Plan is revoked or withdrawn prior to the Confirmation Date, or if the Plan does not become effective for any reason whatsoever, then the Plan shall be deemed null and void. In such event, nothing contained herein shall be deemed to constitute a

waiver or release of any claims by the Debtors or any other Entity, or to prejudice in any manner the rights of the Debtors or any other Entity in any further proceedings involving the Debtors.

## ARTICLE XXVIII

### PROVISION FOR MANAGEMENT

28.1. **Reorganized Debtors Directors:** From and after the Effective Date, the board of directors of the Reorganized Debtors shall be comprised of five (5) members: (a) the President and Chief Executive Officer of Reorganized Southern Air, (b) one member nominated by the Oak Hill Entity or Entities that receive Reorganized Southern Air Parent Common Stock pursuant to the Plan and (c) three (3) members nominated (in such manner as agreed to by the Consenting Lenders in order to comply with applicable non-bankruptcy law) by the Consenting Lenders. Except as set forth herein, provisions regarding members of the Reorganized Debtors Board of Directors shall be as set forth in the Reorganized Debtors By-Laws, the Reorganized Debtors Certificate of Incorporation and the Reorganized Southern Air Parent Stockholders Agreement.

28.2. **Southern Management Equity Plan:** On the Effective Date, Southern Management shall be allocated and shall receive (a) in the aggregate, a grant of Four Hundred Thousand (400,000) shares of Reorganized Southern Air Parent Common Stock, representing four percent (4%) of the shares of Reorganized Southern Air Parent Common Stock to be granted on the Effective Date, distributable in shares of either Class A-3 Common Stock or Class C-2 Common Stock, one percent (1%) of which shall be vested and be delivered on the Effective Date and three percent (3%) of which shall vest and be delivered in three (3) equal installments on the first three (3) subsequent anniversaries of the Effective Date ("Initial Grant"), and (b) the Southern Management Warrants. Shares of Reorganized Southern Air Parent Common Stock issued pursuant to the Initial Grant shall be allocated and distributed among Southern Management in a manner and amount as determined by the Board of Directors of Holdings, as predecessor in interest to Reorganized Southern Air Parent, upon the recommendation of the Chief Executive Officer of Holdings, and shall vest immediately in connection with a change of control or a sale of substantially all of the assets of Reorganized Southern Air and certain other enumerated events to be agreed upon. Allocation of Southern Management Warrants shall be determined by the Board of Directors of Reorganized Southern Air Parent, upon the recommendations of the Chief Executive Officer of Reorganized Southern Air Parent, and accelerated vesting of the Southern Management Warrants shall be agreed upon by the Southern Management and the Board of Directors of Reorganized Southern Air Parent.

28.3. **Management Agreements:** Subject to due diligence and consideration with respect to tax consequences, on the Effective Date, (a) each member of Southern Management and Reorganized Southern Air shall enter into a Management Agreement, for a term of three (3) years from and after the Effective Date, each containing customary and standard non-competition provisions, on economic terms to be agreed upon by the Requisite Lenders, the Required DIP Lenders, the Oak Hill Entities and members of Southern Management, but in no event on terms less favorable than in existence on the Business Day immediately preceding the Petition Date, and (b) existing employment agreements and related agreements between the Debtors and Southern Management, documents and instruments, including, without limitation,

option agreements and promissory notes, with members of Southern Management shall be deemed cancelled and of no force and effect.

## ARTICLE XXIX

### ARTICLES OF INCORPORATION AND BY-LAWS OF THE DEBTORS; CORPORATE ACTION

29.1. **Amendment of Articles of Incorporation/Charter:** On or prior to the Effective Date, the Debtors shall file the Reorganized Debtors Certificate of Incorporation and the Reorganized Debtors By-Laws under the general supervision of the Office of the Attorney General.

29.2. **Corporate Action:** On the Effective Date, the adoption of the Reorganized Debtors Certificate of Incorporation and the Reorganized Debtors By-Laws shall be authorized and approved in all respects, in each case without further action under applicable law, regulation, order, or rule, including, without limitation, any action by the stockholders of the Debtors or the Reorganized Debtors. The cancellation of all Equity Interests, and other matters provided under the Plan involving the corporate structure of the Reorganized Debtors or corporate action by the Reorganized Debtors shall be deemed to have occurred, be authorized, and shall be in effect without requiring further action under applicable law, regulation, order, or rule, including, without limitation, any action by the stockholders of the Debtors or the Reorganized Debtors. Without limiting the foregoing, from and after the Confirmation Date, the Debtors, and the Reorganized Debtors may take any and all actions deemed appropriate in order to consummate the transactions contemplated herein.

29.3. **Issuance of Equity Interests in the Reorganized Debtors:** The issuance of Equity Interests in the Reorganized Southern Air Parent and, if Reorganized Southern Air Parent is Reorganized Holdings, the contribution of Prepetition Lender Reorganized Southern Air Parent Common Stock to Reorganized Cargo 360 as set forth in Section 20.4 of the Plan are authorized without the need for any further corporate action.

29.4. **Cancellation of Liens:** Except as otherwise provided in the Plan, upon the occurrence of the Effective Date, any Lien securing any Secured Claim that is satisfied in full and discharged hereunder shall be deemed released, and the holder of such Secured Claim shall be authorized and directed to release any Collateral or other property of the Debtors (including any cash collateral) held by such holder and to take such actions as may be requested by the Reorganized Debtors, to evidence the release of such Lien, including the execution, delivery, and filing or recording of such releases as may be requested by the Reorganized Debtors.

29.5. **Merger of Holdings and Cargo 360:** The Debtors may, with the consent of the Requisite Lenders, the Required DIP Lenders and the Oak Hill Entities, cause Holdings to be merged with and into Cargo 360 without the need for any further corporate action, if the Debtors determine that Reorganized Southern Air Parent should be Reorganized Cargo 360.

## ARTICLE XXX

### CERTAIN TAX MATTERS

30.1. **Exemption from Transfer Taxes:** Pursuant to section 1146(a) of the Bankruptcy Code, the creation of any mortgage, deed of trust, or other security interest, the issuance, transfer or exchange of any securities, instruments or documents the making or assignment of any lease or sublease, or the making or delivery of any deed or other instrument of transfer under, in furtherance of, or in connection with the Plan, shall not be subject to any stamp, real estate transfer, mortgage recording or other similar tax. The Confirmation Order shall direct the appropriate federal, state and/or local governmental officials or agents to forgo the collection of any such tax or governmental assessment and to accept for filing and recordation any of the foregoing instruments or other documents without the payment of any such tax or governmental assessment.

30.2. **Tax Cooperation:** The Reorganized Debtors shall cooperate with the Oak Hill Entities in good faith with respect to the tax reporting of the transactions contemplated by this Plan to minimize reporting of current taxable income to the Oak Hill Entities as a result of such transactions, with due regard to the impact of any tax reporting position on the Reorganized Debtors' current tax position and, to the extent appropriate to memorialize the terms of any such agreement, such terms to be incorporated in a document to be included in the Plan Supplement.

## ARTICLE XXXI

### MISCELLANEOUS PROVISIONS

31.1. **Discharge of Claims and Termination of Equity Interests.**

(a) Except as expressly provided in the Plan or the Confirmation Order, all distributions and rights afforded under the Plan and the treatment of Claims and Equity Interests under the Plan shall be, and shall be deemed to be, in exchange for, and in complete satisfaction, settlement, discharge and release of, all Claims and any other obligations, suits, judgments, damages, debts, rights, remedies, causes of action or liabilities of any nature whatsoever, and of all Equity Interests, or other rights of a holder of an Equity Interest, relating to any of the Debtors or the Reorganized Debtors or any of their respective assets, property and estates, or interests of any nature whatsoever, including any interest accrued on such Claims from and after the Petition Date, and regardless of whether any property will have been distributed or retained pursuant to the Plan on account of such Claims or other obligations, suits, judgments, damages, debts, rights, remedies, causes of action or liabilities, or Equity Interests or other rights of a holder of an equity security or other ownership interest, and upon the Effective Date, the Debtors and the Reorganized Debtors shall (i) be deemed to have received a discharge under section 1141(d)(1)(A) of the Bankruptcy Code and release from any and all Claims and any other obligations, suits, judgments, damages, debts, rights, remedies, causes of action or liabilities, and any Equity Interests or other rights of a holder of an equity security or other ownership interest, of any nature whatsoever, including, without limitation, liabilities that arose before the Effective Date (including prior to the Petition Date), and all debts of the kind specified in sections 502(g), 502(h) or 502(i) of the Bankruptcy Code, whether or not (a) a Proof of Claim based upon such

debt is filed or deemed filed under section 501 of the Bankruptcy Code, (b) a Claim based upon such debt is Allowed under section 502 of the Bankruptcy Code (or is otherwise resolved), or (c) the holder of a Claim based upon such debt voted to accept the Plan and (ii) terminate and cancel all rights of any equity security holder in any of the Debtors and all Equity Interests.

(b) Except as expressly provided in the Plan or the Confirmation Order, all Persons shall be precluded from asserting against each of the Debtors, the Debtors' respective assets, property and Estates, the Reorganized Debtors and their respective Related Persons any other or further Claims, or any other obligations, suits, judgments, damages, debts, rights, remedies, causes of action or liabilities of any nature whatsoever, and all Equity Interests or other rights of a holder of an Equity Interest, relating to any of the Debtors or Reorganized Debtors or any of their respective assets, property and estates based upon any act, omission, transaction or other activity of any nature that occurred prior to the Effective Date. In accordance with the foregoing, except as expressly provided in the Plan or the Confirmation Order, the Confirmation Order shall constitute a judicial determination, as of the Effective Date, of the discharge of all such Claims or other obligations, suits, judgments, damages, debts, rights, remedies, causes of action or liabilities, and any Interests or other rights of a holder of an Equity Interest and termination of all rights of any such holder in any of the Debtors, pursuant to sections 524 and 1141 of the Bankruptcy Code, and such discharge shall void and extinguish any judgment obtained against the Debtors, the Reorganized Debtors or any of their respective assets, property and Estates at any time, to the extent such judgment is related to a discharged Claim, debt or liability or terminated right of any holder of any Equity Interest in any of the Debtors or terminated Equity Interest.

**31.2. Injunction on Claims: Except as otherwise expressly provided in the Plan, the Confirmation Order or such other order of the Bankruptcy Court that may be applicable, all Persons or Entities, and each Related Person of such Persons or Entities, who have held, hold or may hold Claims or any other debt or liability that is discharged or Equity Interests or other right of equity interest that is terminated or cancelled pursuant to the Plan, or who have held, hold or may hold Claims or any other debt or liability that is discharged or released pursuant to Sections 31.1, 31.5 and 31.6 hereof, respectively, are permanently enjoined, from and after the Effective Date, from (a) commencing or continuing, directly or indirectly, in any manner, any action or other proceeding (including, without limitation, any judicial, arbitral, administrative or other proceeding) of any kind on any such Claim or other debt or liability or Equity Interest that is terminated or cancelled pursuant to the Plan against the Debtors, the Debtors in Possession or the Reorganized Debtors, the Debtors' estates, or their respective properties, assets or interests in properties, (b) the enforcement, attachment, collection or recovery by any manner or means of any judgment, award, decree or order against the Debtors, the Debtors in Possession or the Reorganized Debtors, the Debtors' estates, or their respective properties or interests in properties, (c) creating, perfecting, or enforcing any encumbrance of any kind against the Debtors, the Debtors in Possession or the Reorganized Debtors, the Debtors' estates, or their respective properties, assets or interests in properties, or its respective properties, assets or interests in properties, and (d) except to the extent provided, permitted or preserved by sections 553, 555, 556, 559 or 560 of the Bankruptcy Code or pursuant to the common law right of recoupment, asserting any right of setoff, subrogation or recoupment of any kind against any obligation due from the Debtors, the**



**Debtors in Possession or the Reorganized Debtors, or against their respective property or interests in property, with respect to any such Claim or other debt or liability that is discharged or Equity Interest or other right of equity interest that is terminated or cancelled pursuant to the Plan; provided, however, that such injunction shall not preclude the United States of America, any state or any of their respective police or regulatory agencies from enforcing their police or regulatory powers; provided, further, that, except in connection with a properly filed proof of claim, the foregoing proviso does not permit the United States of America, any State or any of their respective police or regulatory agencies from obtaining any monetary recovery from the Debtors, the Debtors in Possession or the Reorganized Debtors or their respective property or interests in property with respect to any such Claim or other debt or liability that is discharged or Equity Interest or other right of equity interest that is terminated or cancelled pursuant to the Plan, including, without limitation, any monetary claim or penalty in furtherance of a police or regulatory power. Such injunction shall extend to all successors of the Debtors and Debtors in Possession, and their respective properties and interests in property. Notwithstanding anything to the contrary, including, without limitation, the terms of this Article XXXI, but subject to the provisions of Sections 2.1(a) and 3.4 of the Plan, the Plan shall not limit or impair any defenses (including, but not limited to, any rights of setoff preserved or permitted under the Bankruptcy Code or rights of recoupment under applicable law) that have been asserted.**

31.3. **Integral to Plan**: Each of the discharge, injunction and release provisions provided in this Article XXXI is an integral part of the Plan and is essential to its implementation. Each of the Debtors, the Reorganized Debtors and the Released Parties, shall have the right to independently seek the enforcement of the discharge, injunction and release provisions set forth in this Article XXXI.

31.4. **Releases by the Debtors**: Except as otherwise expressly provided in the Plan, the Interim DIP Order, the Final DIP Order or the Confirmation Order, on the Effective Date, for good and valuable consideration, to the fullest extent permissible under applicable law, each of the Debtors, the Debtors in Possession and the Reorganized Debtors, on their own behalf and as representatives of their respective estate, shall, and shall be deemed to, completely and forever release, waive, void, extinguish and discharge unconditionally, each of the Released Parties and each of their respective Related Persons (other than with respect to the Related Persons of the Lender Parties) of and from any and all Claims, obligations, suits, judgments, damages, debts, causes of action, rights, defenses, counterclaims, remedies and liabilities of any nature whatsoever held by, assertable on behalf of, or derivative of the Debtors, the Debtors in Possession, the Reorganized Debtors and their respective estates, whether liquidated or unliquidated, fixed or contingent, matured or unmatured, disputed or undisputed, known or unknown, foreseen or unforeseen, then existing or thereafter arising, in law, equity or otherwise, against the Released Parties arising from or relating to the period prior to the Effective Date (including prior to the Petition Date) or that may be based, in whole or in part, upon or otherwise relate to any act, omission or transaction, event or other circumstance taking place, arising or existing on or prior to the Effective Date (including prior to the Petition Date), including, without limitation, in connection with or otherwise relating to any of the Debtors, the Debtors in Possession, the Reorganized Debtors, the Chapter 11 Cases, the

**Plan, the Disclosure Statement, the Plan Support Agreement, the Oak Hill 1110 Stipulation, the Oak Hill Leases, the DIP Agreement and the compromises and settlements embodied herein, or any negotiations regarding or concerning such compromises or settlements.**

**31.5. Reciprocal Releases Among Released Parties: Except as otherwise expressly provided in the Plan or the Confirmation Order, on the Effective Date, for good and valuable consideration, to the fullest extent permissible under applicable law, each of the Released Parties and each of their respective Related Persons (other than with respect to the Related persons of the Lender Parties), shall, and shall be deemed to, completely and forever release, waive, void, extinguish and discharge unconditionally each and all of the other Released Parties and each of their Related Persons (other than with respect to the Related Persons of the Lender Parties) of and from any and all Claims, obligations, suits, judgments, damages, debts, causes of action, rights, defenses, counterclaims, remedies, and liabilities of, on account of, in connection with, or in any way related to such Claim (including, without limitation, those arising under the Bankruptcy Code), whether liquidated or unliquidated, fixed or contingent, matured or unmatured, disputed or undisputed, known or unknown, foreseen or unforeseen, then existing or thereafter arising, in law, equity or otherwise that are or may be based in whole or part on, or otherwise relating to, any act, omission, transaction, event or other circumstance taking place, arising or existing on or before the Effective Date (including before the Petition Date) in connection with or related to any of the Debtors, the Debtors in Possession, the Reorganized Debtors, their respective assets, property and estates, the Chapter 11 Cases, the Plan, the Disclosure Statement, the Plan Support Agreement, the Oak Hill Leases, the Oak Hill 1110 Stipulation, the DIP Agreement, the compromises and settlements embodied herein, or any negotiations regarding or concerning such compromises and settlements.**

**31.6. Voluntary Releases by Holders of Claims: Except as otherwise expressly provided in the Plan or the Confirmation Order, on the Effective Date, for good and valuable consideration, to the fullest extent permissible under applicable law, each Person that (a)(i) has held, currently holds or may hold a Claim or any other obligation, suit, judgment, damage, debt, right, remedy, defense, counterclaim, cause of action or liability of any nature whatsoever, (ii) submitted a Ballot, and (iii) elected to opt in to the releases contained in this paragraph by marking the appropriate box on the Ballot, or (b)(i) otherwise receives a distribution pursuant to the Plan and (ii) accepts such distribution, including, without limitation, by negotiation of any check drawn in accordance with Section 20.5 of the Plan, and each of their respective Related Persons (other than with respect to the Related Persons of the Lender Parties), shall, and shall be deemed to, completely and forever release, waive, void, extinguish and discharge unconditionally each and all of the Released Parties and each of their respective Related Persons from any and all Claims, obligations, suits, judgments, damages, debts, rights, remedies, defenses, counterclaims, causes of action and liabilities on account of, in connection with, or in any way related to such Claim (including, without limitation, those arising under the Bankruptcy Code), whether liquidated or unliquidated, fixed or contingent, matured or unmatured, disputed or undisputed, known or unknown, foreseen or unforeseen, then existing or thereafter arising, in law, equity or otherwise that are or may be based in whole or part or otherwise relating to any act, omission, transaction, event or other circumstance**

**taking place, arising or existing on or prior to the Effective Date (including prior to the Petition Date) in connection with or related to any of the Debtors, the Debtors in Possession, the Reorganized Debtors or their respective assets, property and estates, the Chapter 11 Cases, the Plan, the Disclosure Statement, the Plan Support Agreement, the Oak Hill 1110 Stipulation, the Oak Hill Leases, the DIP Agreement or the compromises and settlements embodied herein or any negotiations regarding or concerning such compromises or settlements.**

(a) United States Government:

(1) Notwithstanding anything contained in the Plan or Confirmation Order to the contrary, with respect to the United States, its agencies, departments or agents, nothing shall: (i) discharge, release or otherwise preclude (A) any liability of the Debtors arising on or after the Confirmation Date (defined for purposes of this section, including clause (C) below, as the date the Confirmation Order becomes final and non-appealable), (B) with respect to the Debtors, any liability that is not a Claim against a Debtor, (C) any valid right of setoff or recoupment, or (D) any liability of the Debtors arising under environmental or criminal laws as the owner or operator of property that such Debtor owns or operates after the Confirmation Date; or (ii) limit or expand the scope of the discharge to which the Debtors are entitled under the Bankruptcy Code. The discharge and injunction provisions contained in the Plan and Confirmation Order are not intended and shall not be construed to bar the United States from, subsequent to the Effective Date, pursuing any police or regulatory action.

(2) Nothing in the Plan or Confirmation Order shall provide to any Person or Entity (other than a Debtor) any exculpation, release, discharge, preclusion of, or injunction against (i) any liability or other obligation owed by such Person or Entity to the United States, its agencies or departments (ii) or any Claim, cause of action, or other right held by the United States, its agencies or departments.

(3) Nothing contained in the Plan or Confirmation Order shall be deemed to have determined, or to bind the United States with respect to the determination of, the federal tax treatment of any item, distribution, person or entity, or the tax liability of any person or entity, including, but not limited to, the Debtors; provided, however, that the foregoing shall not affect the rights, claims, defenses and obligations of the United States or the Debtors under the Plan or otherwise with respect to the allowance, disallowance or treatment of Claims of the United States (including, without limitation, in accordance with the order of the Bankruptcy Court with respect to the filing of proofs of claim and any stipulations between the Internal Revenue Service or United States and the Debtors), nor shall it affect any right of any Debtor or successor to a Debtor to request a determination of tax liability pursuant to section 505(b) of the Bankruptcy Code, or any defenses or objections of the United States with respect to a request for a determination of taxes by any person or entity pursuant to section 505(b) of the Bankruptcy Code.

**31.7. Injunction Related to Releases: Except as provided in the Plan or the Confirmation Order, as of the Effective Date, (a) all Entities that hold, have held, or may hold a Claim or any other obligation, suit, judgment, damage, debt, right, remedy, causes of action or liability of any nature whatsoever, or any Equity Interest or other right of a**

**Holder of an equity security or other ownership interest, relating to any of the Debtors, the Reorganized Debtors, the Released Parties, or any of their respective assets, property and estates, that is released pursuant to Sections 31.4, 31.5 or 31.6 of the Plan, (b) all other parties in interest, and (c) each of the Related Persons of each of the foregoing entities, are, and shall be, permanently, forever and completely stayed, restrained, prohibited, barred and enjoined from taking any of the following actions, whether directly or indirectly, derivatively or otherwise, on account of or based on the subject matter of such discharged or released Claims or other obligations, suits, judgments, damages, debts, rights, remedies, causes of action or liabilities, and of all Equity Interests or other rights of a holder of an equity security or other ownership interest: (i) commencing, conducting or continuing in any manner, directly or indirectly, any suit, action or other proceeding (including, without limitation, any judicial, arbitral, administrative or other proceeding) in any forum; (ii) enforcing, attaching (including, without limitation, any prejudgment attachment), collecting, or in any way seeking to recover any judgment, award, decree, or other order; (iii) creating, perfecting or in any way enforcing in any matter, directly or indirectly, any Lien; (iv) setting off, seeking reimbursement or contributions from, or subrogation against, or otherwise recouping in any manner, directly or indirectly, any amount against any liability or obligation owed to any Entity released under Sections 31.4, 31.5 or 31.6 hereof; and (v) commencing or continuing in any manner, in any place of any judicial, arbitration or administrative proceeding in any forum, that does not comply with or is inconsistent with the provisions of the Plan or the Confirmation Order; provided, that this provision shall not apply to the rights of the Debtors, or the Reorganized Debtors to take any action with respect to any of or all the General Liability Insurance Policies.**

31.8. **Exculpation**: None of the Released Parties, the members of the Creditors' Committee and the professionals retained by the Creditors' Committee shall have or incur any liability to any Entity for any act taken or omitted to be taken in connection with the Chapter 11 Cases, the formulation, preparation, dissemination, implementation, confirmation or approval of the Plan or any compromises or settlements contained therein, the Disclosure Statement related thereto or any contract, instrument, release or other agreement or document provided for or contemplated in connection with the consummation of the transactions set forth in the Plan; provided, however, that the foregoing provisions of this Section 31.8 shall not affect the liability of any Entity that otherwise would result from any such act or omission to the extent that such act or omission is determined in a Final Order to have constituted gross negligence or willful misconduct. Any of the foregoing parties in all respects shall be entitled to rely upon the advice of counsel with respect to their duties and responsibilities under the Plan.

31.9. **Deemed Consent**: By submitting a Ballot or opt out notice and not electing to withhold consent to the releases of the applicable Released Parties set forth in Section 30.6 of the Plan by marking the appropriate box on the Ballot or opt out notice, each holder of a Claim shall be deemed, to the fullest extent permitted by applicable law, to have specifically consented to the releases set forth in Section 31.6 of the Plan.

31.10. **No Waiver**: Notwithstanding anything to the contrary contained herein, the releases and injunctions set forth in the Plan shall not, and shall not be deemed to, limit, abridge or otherwise affect the rights of the Reorganized Debtors, the Prepetition Lenders, the DIP Lenders or the Oak Hill Entities to enforce, sue on, settle or compromise the rights, claims and

other matters expressly retained by any of them or to enforce the terms of the Plan, the Confirmation Order, the Plan Support Agreement, the Oak Hill 1110 Stipulation, the Oak Hill Leases, the OHAA Funding Agreement or any documents included in the Plan Supplement or executed for purposes of implementing the Plan.

**31.11. Supplemental Injunction: Notwithstanding anything contained herein to the contrary, all Persons, including Persons acting on their behalf, who currently hold or assert, have held or asserted, or may hold or assert, any Claims or any other obligations, suits, judgments, damages, debts, rights, remedies, causes of action or liabilities of any nature whatsoever, and all Equity Interests, or other rights of a holder of an equity security or other ownership interest, against any of the Released Parties based upon, attributable to, arising out of or relating to any Claim against or Equity Interest in any of the Debtors, whenever and wherever arising or asserted, whether in the U.S. or anywhere else in the world, whether sounding in tort, contract, warranty or any other theory of law, equity or admiralty, shall be, and shall be deemed to be, permanently stayed, restrained and enjoined from taking any action against any of the Released Parties for the purpose of directly or indirectly collecting, recovering or receiving any payment or recovery with respect to any such Claims or other obligations, suits, judgments, damages, debts, rights, remedies, causes of action or liabilities, and all Equity Interests or other rights of a Holder of an equity security or other ownership interest, arising prior to the Effective Date (including prior to the Petition Date), including, but not limited to:**

**(a) Commencing or continuing in any manner any action or other proceeding of any kind with respect to any such Claims or other obligations, suits, judgments, damages, debts, rights, remedies, causes of action or liabilities, and all Equity Interests, or other rights of a Holder of an equity security or other ownership interest, against any of the Released Parties or the assets or property of any Released Party;**

**(b) Enforcing, attaching, collecting or recovering, by any manner or means, any judgment, award, decree or order against any of the Released Parties or the assets or property of any Released Party with respect to any such Claims or other obligations, suits, judgments, damages, debts, rights, remedies, causes of action or liabilities, and all Equity Interests or other rights of a holder of an equity security or other ownership interest;**

**(c) Creating, perfecting or enforcing any Lien of any kind against any of the Released Parties or the assets or property of any Released Party with respect to any such Claims or other obligations, suits, judgments, damages, debts, rights, remedies, causes of action or liabilities, and all Equity Interests or other rights of a Holder of an equity security or other ownership interest;**

**(d) Except as otherwise expressly provided in the Plan or the Confirmation Order, asserting, implementing or effectuating any setoff, right of subrogation, indemnity, contribution or recoupment of any kind against any obligation due to any of the Released Parties or against the property of any Released Party with respect to any such Claims or other obligations, suits, judgments, damages, debts, rights, remedies,**

**causes of action or liabilities, and all Equity Interests or other rights of a Holder of an equity security or other ownership interest; and**

(e) **Taking any act, in any manner, in any place whatsoever, that does not conform to, or comply with, the provisions of the Plan, or the Confirmation Order relating to such Claims or other obligations, suits, judgments, damages, debts, rights, remedies, causes of action or liabilities, and all Equity Interests or other rights of a holder of an equity security or other ownership interest;**

**provided, however, that the Debtors' compliance with the formal requirements of Bankruptcy Rule 3016(c) shall not constitute an admission that the Plan provides for an injunction against conduct not otherwise enjoined under the Bankruptcy Code.**

31.12. **Payment of Statutory Fees and Filing of Quarterly Reports:** All fees payable pursuant to section 1930 of title 28 of the United States Code, and, if applicable, any interest payable pursuant to section 3717 of title 31 of the United States Code, as determined by the Bankruptcy Court, shall be paid on the Effective Date or thereafter as and when they become due and owing. From and after the Effective Date, the Reorganized Debtors shall file post-confirmation quarterly reports (and any pre-confirmation monthly operating reports not filed as of the Effective Date) in conformity with the guidelines of the Office of the United States Trustee, until entry of an order closing the Chapter 11 Cases in accordance with the provisions of Section 31.19 hereof.

31.13. **Retiree Benefits:** From and after the Effective Date, pursuant to section 1129(a)(13) of the Bankruptcy Code, the Reorganized Debtors shall assume and pay all retiree benefits (within the meaning of section 1114 of the Bankruptcy Code) and contribute to the Pension Plans the amount necessary to satisfy the minimum funding standards under sections 302 and 303 of ERISA, 29 U.S.C. §§ 1082 and 1083, and sections 412 and 430 of the Internal Revenue Code, 26 U.S.C. §§ 412 and 430, if any, relating to the Pension Plans, at the level established in accordance with subsection (e)(1)(B) or (g) of section 1114 of the Bankruptcy Code, at any time prior to the Confirmation Date, and for the duration of the period during which the Debtors have obligated themselves to provide such benefits; provided, however, that the Reorganized Debtors may modify such benefits to the extent permitted by applicable law.

31.14. **Preservation of Insurance:** Nothing in the Plan, the Plan Documents or the Confirmation Order, including the discharge and release of Debtors, shall diminish or impair the enforceability of any of the General Liability Insurance Policies that may be obligated to provide, coverage for Debtors or other Entities.

31.15. **Post-Effective Date Fees and Expenses:** From and after the Effective Date, the Reorganized Debtors shall, in the ordinary course of business and without the necessity for any approval by the Bankruptcy Court, retain such professionals and pay the reasonable professional fees and expenses incurred by the Reorganized Debtors related to implementation and consummation of the Plan.

31.16. **Severability:** If, prior to the Confirmation Date, any term or provision of the Plan shall be held by the Bankruptcy Court to be invalid, void or unenforceable, the Bankruptcy Court

shall, with the consent of the Debtors, the Requisite Lenders, the Required DIP Lenders and the Oak Hill Entities have the power to alter and interpret such term or provision to make it valid or enforceable to the maximum extent practicable, consistent with the original purpose of the term or provision held to be invalid, void or unenforceable, and such term or provision shall then be applicable as altered or interpreted. Notwithstanding any such holding, alteration or interpretation, the remainder of the terms and provisions of the Plan shall remain in full force and effect and shall in no way be affected, impaired or invalidated by such holding, alteration or interpretation. The Confirmation Order shall constitute a judicial determination and shall provide that each term and provision of the Plan, as it may have been altered or interpreted in accordance with the foregoing, is valid and enforceable pursuant to its terms.

31.17. **Governing Law**: Except to the extent that the Bankruptcy Code or other federal law is applicable, or to the extent that an exhibit hereto or any document to be entered into in connection herewith provides otherwise, the rights, duties and obligations arising under this Plan shall be governed by, and construed and enforced in accordance with, the Bankruptcy Code and, to the extent not inconsistent therewith, the laws of the Delaware, without giving effect to principles of conflicts of laws.

31.18. **Notices**: All notices, requests, and demands in connection herewith to be effective shall be in writing, including by facsimile transmission, and, unless otherwise expressly provided herein, shall be deemed to have been duly given or made when actually delivered or, in the case of notice by facsimile transmission, when received and telephonically confirmed, addressed as follows:

(a) If to the Debtors, to:

Southern Air Holdings, Inc.  
117 Glover Avenue  
Norwalk, Connecticut 06850  
Attention: Daniel J. McHugh  
Facsimile: 203-840-3238

With a copy given in like manner, to:

Weil, Gotshal & Manges LLP  
767 Fifth Avenue  
New York, New York 10153  
Attention: Brian S. Rosen, Esq.  
Facsimile: 212-310-8007

– and –

Young Conaway Stargatt & Taylor, LLP  
1000 North King Street  
Wilmington, Delaware 19801  
Attention: M. Blake Cleary, Esq.  
Facsimile: 302-576-3187

- (b) If to the Consenting Lenders or the DIP Lenders, to:

Canadian Imperial Bank of Commerce  
New York Branch  
425 Lexington Avenue  
New York, New York 10017  
Attention: E. Lindsay Gordon  
Facsimile: 212-856-4135

With a copy given in like manner, to:

Milbank Tweed Hadley & McCloy LLP  
1 Chase Manhattan Plaza  
New York, New York 10005  
Attention: Matthew Barr, Esq.  
Samuel A. Khalil, Esq.  
Lauren C. Cohen, Esq.  
Facsimile: 212-530-5219

- (c) If to the Oak Hill Entities, to:

Oak Hill Capital Management  
65 East 55th Street  
New York, New York 10022  
Attention: John Monsky, Esq.  
Facsimile: 212-527-8454

With a copy given in like manner, to:

Paul Weiss Rifkind Wharton & Garrison LLP  
1285 Avenue of the Americas  
New York, New York 10019  
Attention: Stephen J. Shimshak, Esq.  
Kelley A. Cornish, Esq.  
Alice B. Eaton, Esq.  
Facsimile: 212-757-3990

- (d) If to the Creditors' Committee, to:

Lowenstein Sandler LLP  
65 Livingston Avenue  
Roseland, New Jersey 07068  
Attention: S. Jason Teele, Esq.  
Facsimile: 973-597-2400



31.19. **Closing of Cases:** The Reorganized Debtors shall, promptly upon the full administration of the Chapter 11 Cases, file with the Bankruptcy Court all documents required by Bankruptcy Rule 3022 and any applicable order of the Bankruptcy Court.

31.20. **Section Headings:** The section headings contained in this Plan are for reference purposes only and shall not affect in any way the meaning or interpretation of the Plan.

31.21. **Inconsistencies:** To the extent of any inconsistencies between the information contained in the Disclosure Statement and the terms and provisions of the Plan, the terms and provisions contained herein shall govern.

Dated: Wilmington, Delaware  
January 18, 2013

SOUTHERN AIR HOLDINGS, INC.  
AND ITS AFFILIATED DEBTORS

By: /s/ Daniel J. McHugh

Name: Daniel J. McHugh

Title: President and Chief Executive Officer

WEIL, GOTSHAL & MANGES LLP  
767 Fifth Avenue  
New York, New York 10153  
(212) 310-8000

– and –

YOUNG CONAWAY STARGATT &  
TAYLOR, LLP  
1000 North King Street  
Wilmington, Delaware 19801  
(302) 571-6600

*Attorneys for Debtors and  
Debtors in Possession*