

UNITED STATES BANKRUPTCY COURT
DISTRICT OF DELAWARE

-----X
: **Chapter 11**
: **Case No. 12-12690 (CSS)**
: **Jointly Administered**
: **Re: Docket Nos. 470, 573, & 598**
-----X

**NOTICE OF FILING SECOND AMENDMENT TO PLAN SUPPLEMENT
IN SUPPORT OF SECOND AMENDED JOINT PLAN OF AFFILIATED DEBTORS
PURSUANT TO CHAPTER 11 OF THE UNITED STATES BANKRUPTCY CODE**

PLEASE TAKE NOTICE that, on February 19, 2013, Southern Air Holdings, Inc. and its affiliated debtors, as debtors and debtors in possession (collectively, the “Debtors”), filed that certain *Plan Supplement in Support of Second Amended Joint Plan of Affiliated Debtors Pursuant to Chapter 11 of the United States Bankruptcy Code*, dated February 19, 2013 [Docket No. 573] (as may be amended, modified, or supplemented from time to time, the “Plan Supplement”). On February 26, 2013, the Debtors filed the first amendment to the Plan Supplement [Docket No. 598].

PLEASE TAKE FURTHER NOTICE that, pursuant to Section 27.1 of that certain *Second Amended Joint Plan of Affiliated Debtors Pursuant to Chapter 11 of the United States Bankruptcy Code*, dated January 18, 2013 (as further amended, modified, or supplemented from time to time, the “Plan”),² the Debtors hereby amend the Plan Supplement to include the following documents:

1. The form of Southern Management Warrants attached as Exhibit A hereto shall be Exhibit 8 to the Plan Supplement.
2. The form of Management Equity Plan attached as Exhibit B hereto shall be Exhibit 9 to the Plan Supplement.

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

² Capitalized terms used but not otherwise defined shall have the meanings ascribed to them in the Plan.



3. The form of Management Agreement attached as Exhibit C hereto shall be Exhibit 10 to the Plan Supplement (filed under seal).

PLEASE TAKE FURTHER NOTICE that, contemporaneously herewith, the Debtors have filed the *Motion of Debtors for Authority to File Under Seal Form of Management Agreement in Second Amendment to Plan Supplement*.

PLEASE TAKE FURTHER NOTICE that the documents contained in the Plan Supplement are not final and remain subject to approval in accordance with the Plan. The Debtors reserve the right to alter, amend, modify or supplement any of the documents contained in the Plan Supplement.

PLEASE TAKE FURTHER NOTICE that the Plan Supplement can be viewed for free at the website for the Debtors' claims agent, Kurtzman Carson Consultants LLC ("KCC"): www.kccllc.net/southernair. Additionally, copies of the Plan Supplement are available upon request by contacting KCC at Southern Air Ballot Processing Center, c/o KCC, 2335 Alaska Avenue, El Segundo, CA 90245 or by telephone at (877) 634-7163 (Attention: Southern Air Holdings, Inc.) or by accessing the Bankruptcy Court's website: <https://ecf.deb.uscourts.gov/cgi-bin/login.pl>. A PACER password and login are needed to access documents on the Bankruptcy Court's website. A PACER password can be obtained at <http://www.pacer.psc.uscourts.gov>.

Dated: March 1, 2013
Wilmington, Delaware

/s/ Travis G. Buchanan

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Exhibit A

Form of Southern Management Warrants

WARRANT
To Purchase Stock of
Southern Air Holdings, Inc.

No. of Shares of [Class A-3][Class C-2] Common Stock: [●]¹

¹ Allocation among Southern Management to be determined by the Board of Directors of Company, upon recommendations of the CEO..

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THE SECURITIES REPRESENTED BY THIS INSTRUMENT HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR THE SECURITIES LAWS OF ANY STATE AND MAY NOT BE SOLD OR TRANSFERRED IN THE ABSENCE OF AN EFFECTIVE REGISTRATION STATEMENT UNDER THE ACT AND SAID LAWS OR AN EXEMPTION FROM THE REGISTRATION REQUIREMENTS THEREOF.

IN ADDITION, NO OFFER, TRANSFER, ASSIGNMENT, SALE OR OTHER DISPOSITION OF THIS WARRANT OR THE SECURITIES ISSUABLE UPON EXERCISE OF THIS WARRANT MAY BE MADE EXCEPT IN ACCORDANCE WITH THE PROVISIONS OF THIS WARRANT AND THE STOCKHOLDERS AGREEMENT (AS DEFINED BELOW), TO THE EXTENT APPLICABLE, A COPY OF WHICH IS AVAILABLE FROM THE COMPANY.

No. of Shares of [Class A-3][Class C-2] Common Stock: [●]²

WARRANT

To Purchase [Class A-3][Class C-2] Common Stock of
Southern Air Holdings, Inc.

THIS IS TO CERTIFY THAT [member of Southern Management], or his registered assigns, is entitled, at any time during the Exercise Period (as hereinafter defined), to purchase from [Southern Air Holdings, Inc.] (the “Company”) validly issued, fully paid and nonassessable shares of [Class A-3][Class C-2] Common Stock (as hereinafter defined and subject to adjustment as provided herein), in whole or in part, including fractional parts, at a purchase price per share equal to [●]³ (the “Exercise Price”) (subject to adjustment as provided herein) all on the terms and conditions and pursuant to the provisions hereinafter set forth.

ARTICLE I. **DEFINITIONS**

Capitalized terms used and not otherwise defined herein shall have the respective meanings ascribed to such terms in the Plan. The following terms have the respective meanings set forth below:

“AAA” shall have the meaning set forth in Section 12.6.

“Additional Shares of Common Stock” shall mean all shares of Common Stock issued by Company after the Effective Date, other than Warrant Stock.

“Arbitrators” shall have the meaning set forth in Section 12.6.

² Holder allocation to be determined by the Board of Directors of the Reorganized Company, upon recommendations of the CEO.

³ Exercise Price to equal FMV on the date of grant.

“Bankruptcy Code” shall mean Title 11 of the United States Code, 11 U.S.C. §101 et seq.

“Board” shall mean the Board of Directors of Company.

“Business Day” shall mean any day that is not a Saturday or Sunday or a day on which banks are required or permitted to be closed in the State of New York.

“Business Plan” shall mean a business plan containing specified targets and other metrics for Company operating results that is, pursuant to the Plan, to be agreed upon by the Board and Southern Management for each of the Performance Years.

“Carry-Over Warrants” shall have the meaning set forth in Section 2.1(a)(ii).

“Cash Sale” shall mean a bona fide transaction (or series of related transactions) involving the sale to a third party of all of the equity interests or merger of Company or the sale of all or substantially all of the assets of Company, in each case where the consideration received by stockholders or Company, as applicable, consists solely of cash.

“Cause” shall have the meaning set forth in the Employment Agreement

“Common Stock” shall mean collectively Class A-1 Common Stock, Class A-2 Common Stock, Class A-3 Common Stock, Class A-4 Common Stock, Class B Common Stock, Class C-1 Common Stock, Class C-2 Common Stock and Class C-3 Common Stock, and any capital stock into which such Common Stock may thereafter be changed, and shall also include (i) capital stock of Company of any other class (regardless of how denominated) issued to the holders of shares of Common Stock upon any reclassification thereof which is also not preferred as to dividends or assets over any other class of capital stock of Company and which is not subject to redemption and (ii) shares of common stock of any successor or acquiring corporation received by or distributed to the holders of Common Stock.

“Company” shall have the meaning set forth in the preamble.

“Convertible Securities” shall mean evidences of indebtedness, shares of capital stock or other securities which are convertible into or exchangeable or exercisable for, with or without payment of additional consideration in cash or property, for Additional Shares of Common Stock, either immediately or upon the occurrence of a specified date or a specified event.

“Current Market Price” shall mean, in respect of any share of Common Stock on any date herein specified, (i) if the Common Stock is publicly traded at such time, the average of the closing or last sales price on the primary national or regional stock exchange on which the Common Stock is listed as displayed by Bloomberg (or any successor service), for the 20 consecutive Business Days ending on the Business Day immediately prior to such date, (ii) if the Common Stock is not so listed or quoted but is traded in the over-the-counter market, the average of the closing bid and asked prices of a share of Common Stock for the 20 consecutive Business Days ending on the Business Day immediately prior to such date or (iii) if Company is

not publicly traded at such time or if no such sales price or bid and asked prices have been quoted during such 20-Business Day period, the Fair Market Value thereof.

“Current Warrant Price” shall mean, in respect of a share of Common Stock at any date herein specified, the price at which a share of Common Stock may be purchased pursuant to this Warrant on such date, which price shall as of the Effective Date be equal to the Exercise Price, subject to adjustment in accordance with the terms hereof.

“EBITDA” shall mean, with respect to fiscal years 2013, 2014, and 2015, Net Income **plus** Depreciation **plus** Interest Expense **plus** Changes in Deferred Taxes **minus** Maintenance reserve payments (as set forth in Article VI of the Second Amended Disclosure Statement (as defined below)).

“Effective Date” shall mean the effective date of the Plan.

“Employment Agreement” shall mean that certain [Executive] Employment and Non-Competition Agreement, dated as of [●], by and between Southern Air Inc. and Holder.

“Equity Securities” shall mean any Common Stock or other equity securities of Company, including any Convertible Securities.

“Exercise Period” shall mean the period during which this Warrant is exercisable pursuant to Section 2.1(a).

“Exercise Price” shall have the meaning set forth in the Preamble.

“Expiration Date” shall mean the first to occur of (i) the ten (10) year anniversary of the date hereof; provided, that if Company does not timely deliver an Expiration Date Notice pursuant to Section 5.3, then the Expiration Date shall be postponed until ten (10) days following the delivery of the Expiration Date Notice; (ii) a Cash Sale; or (iii) a Termination Event.

“Expiration Date Notice” shall have the meaning set forth in Section 5.3.

“Fair Market Value” shall mean the then current fair market value, as determined by the Board in good faith.

“Foreign Ownership Limitations” shall mean the applicable requirements related to the ownership of United States airlines by citizens of the United States.

“Good Reason” shall have the meaning set forth in the Employment Agreement.

“Holder” shall mean the Person in whose name the Warrant set forth herein is registered on the books of Company maintained for such purpose.

“Law” shall mean (i) any federal, state, local or foreign laws (including common law), statutes, ordinances, codes, rules, regulations and decrees, including all laws applicable to the United States airline industry (including the Foreign Ownership Limitations) and (ii) any order, injunction, judgment, decree, ruling, writ or arbitration award of any government, court,

arbitrator, regulatory or administrative agency, commission or authority or other governmental instrumentality, federal, state or local, domestic, foreign or multinational.

“Other Property” shall have the meaning set forth in Section 4.2(a).

“Performance Year” shall mean each of fiscal years 2013, 2014 and 2015.

“Person” shall mean any individual, sole proprietorship, partnership, limited liability company, joint venture, trust, incorporated organization, association, corporation, institution or other entity.

“Plan” shall mean the Second Amended Joint Plan of Affiliated Debtors Pursuant to Chapter 11 of the United States Bankruptcy Code pertaining to Company, as amended and supplemented from time to time.

“Restrictive Covenants” shall have the meaning set forth in Section 2.1(a)(iii)(a).

“Second Amended Disclosure Statement” shall mean that certain Disclosure Statement for the Second Amended Joint Plan of Affiliated Debtors Pursuant to Chapter 11 of the United States Bankruptcy Code dated, January 18, 2013, as filed with the Bankruptcy Court for the District of Delaware in Company’s chapter 11 cases.

“Securities Act” shall mean the Securities Act of 1933, as amended, or any similar federal statute, and the rules and regulations promulgated thereunder, all as the same shall be in effect at the time.

“Significant Transaction” shall have the meaning set forth in Section 4.2(a).

“Southern Management” shall mean collectively (a) Daniel J. McHugh, (b) David Soaper, (c) Jon E. Olin, and (d) Oliver Gritz.

“Stockholders Agreement” shall mean that certain Stockholders Agreement, dated as of [●], 2013, by and among Company and the securityholders party thereto, as such agreement may be amended, modified or restated from time to time.

“Termination Event” shall mean the termination of the employment of a member of Southern Management (i) by Company for Cause; or (ii) by a member of Southern Management without Good Reason.

“Transfer” shall mean any sale, assignment, disposition, exchange, pledge, encumbrance, hypothecation or other transfer of any Warrant or Warrant Stock or of any interest in either thereof.

“Warrants” shall mean this Warrant, together with all other warrants for the purchase of Common Stock issued to Southern Management pursuant to the Plan, and, for purposes of Article IX, all warrants issued upon transfer, division or combination of, or in substitution for, any thereof. All Warrants shall at all times be identical as to terms and

conditions and date as to other Warrants, except as to the Warrant Price and the number of shares of Common Stock for which they may be exercised.

“Warrant Price” shall mean an amount equal to (i) the number of shares of Common Stock being purchased upon exercise of this Warrant pursuant to Section 2.1, multiplied by (ii) the Current Warrant Price as of the date of such exercise.

“Warrant Stock” shall mean the shares of Common Stock purchased by the holders of the Warrants upon the exercise thereof.

ARTICLE II. EXERCISE OF WARRANT

2.1 Conditions of Exercise

(a) From and after the date hereof until 5:00 p.m., New York City time, on the Expiration Date (the “Exercise Period”), Holder may exercise this Warrant as follows:

(i) Provided that operating results are realized in accordance with the Business Plan and such operating results have been duly certified by action of the Board, for each Performance Year: (x) one-third of the shares of Common Stock subject to this Warrant shall vest; and (y) upon certification that the operating results have been realized by the Board for the relevant Performance Year, Holder may exercise this Warrant with respect to such one-third of the shares of Common Stock subject to this Warrant that have so vested; provided, that, Holder remains employed by Company on the last day of the applicable Performance Year. The Board shall make a determination as to whether the operating results for the given Performance Year have been met with 120 days after the completion of such Performance Year.

(ii) If the performance metrics established by the Board are not satisfied for any Performance Year, the Warrants that did not vest as a result of such failure to satisfy such performance metrics but which would have vested with respect to such Performance Year had the performance metrics been fully satisfied (the “Carry-Over Warrants”) shall be eligible for vesting, on a pro rata basis (based on the number of Carry-Over Warrants and the remaining Performance Years), over the remaining Performance Years; provided, that the Carry-Over Warrants shall not vest in any such subsequent Performance Year unless (a) all performance metrics established for vesting of Warrants in such subsequent Performance Year are met and (b) Company's cumulative EBITDA for the period beginning on [January 1, 2013] and ending at the end of such subsequent Performance Year shall be not less than the cumulative EBITDA projected to be achieved for such period as set forth in the financial projections in Article VI of the Second Amended Disclosure Statement. All Carry-Over Warrants that have not vested at the end of the final Performance Year shall be forfeited and no longer exercisable.

(iii) (a) If (x) Company or any of its subsidiaries terminates Holder’s service for Cause; or (y) Holder violates any of the terms of the non-competition or non-solicitation covenants set forth in Holder’s Employment Agreement (the “Restrictive Covenants”) (regardless of whether such violation occurs before or after Holder’s termination of employment with Company or any of its subsidiaries), then, all shares of Common Stock subject to this Warrant, whether vested or unvested, shall be forfeited and shall never become

exercisable under this Warrant. If Holder's service is terminated by Holder without Good Reason, no additional shares of Common Stock subject to this Warrant shall vest after the date of such termination (and such unvested shares shall never become exercisable under this Warrant), however, Holder may exercise all or a part of this Warrant to the extent that shares subject to this Warrant have vested on or before such date; provided, however that if Holder is employed through the end of the relevant Performance Year and at the time such Holder's employment with Company is terminated, the Board has not yet made a determination as to whether the operating results for the given Performance Year have been realized in accordance with the Business Plan, such Warrants will remain outstanding and eligible for vesting until the time the Board makes such determination and will thereafter be treated in accordance with Section 2.1(a)(i), above.

(b) Unvested shares of Common Stock subject to this Warrant that are forfeited in accordance with Section 2.1(a)(ii), Section 2.1(a)(iii)(a), or Section 2.1(a)(iii)(c) will not be eligible for grant or regrant to other members of Southern Management.

(c) If Holder's service terminates for any reason other than for Cause, unvested shares of Common Stock subject to this Warrant with respect to a Performance Year that is not complete shall be forfeited. Any unvested shares of Common Stock subject to this Warrant with respect to a Performance Year that is complete are eligible for vesting if operating results are realized in accordance with the Business Plan. Any vested shares of Common Stock subject to this Warrant shall be exercisable for a period of six (6) months following the termination of Holder's service for any reason other than for Cause, provided that any Warrants, which are unvested on the date of Holder's termination of service, but which become vested upon determination by the Board that the operating results for a Performance Year have been achieved, shall be exercisable for a period of six (6) months following the date on which the Board makes such determination.

(d) In the event that Holder's service terminates for any reason, then all Warrant Stock will be subject to repurchase by Company, at its option (the "Repurchase Option"), in the manner provided in Section 2.1(e). The purchase price payable to Holder upon Company's timely exercise of the Repurchase Option shall be (i) the Fair Market Value of the Warrant Stock so purchased as of the date of such termination if Holder's service terminates for any reason other than for Cause or unless Holder violates any of the Restrictive Covenants; and (ii) the lesser of (x) the Fair Market Value of the Warrant Stock so purchased as of the date of termination and (y) the Warrant Price of the Warrant Stock so purchased, if Holder's service is terminated for Cause or Holder violates any of the Restrictive Covenants; provided, that the Repurchase Option shall be exercisable for a period of six (6) months in the event Company exercises the Repurchase Option pursuant to Section 2.1(a)(iii)(d)(i) and shall be exercisable at any time in the event Company exercises the Repurchase Option pursuant to Section 2.1(a)(iii)(d)(ii).

(e) The Repurchase Option shall be exercised by Company, or its designee, by delivering to Holder a written notice of exercise and a check in the amount of the Fair Market Value or Warrant Price of the Warrant Stock repurchased, as applicable. Upon delivery of such notice and payment of the purchase price as described above, Company, or its designee, shall become the legal and beneficial owner of the Warrant Stock being repurchased

and all rights and interest therein or related thereto, and Company, or its designee, shall have the right to transfer to its own name the number of shares of Warrant Stock being repurchased without further action by Holder or any of his or her transferees. If Company or its designee elects to exercise the Repurchase Option and Holder or his transferee fails to deliver the Warrant Stock in accordance with the terms hereof, Company, or its designee, may, at its option, in addition to all other remedies it may have, deposit the purchase price in an escrow account administered by an independent third party (to be held for the benefit of and payment over to Holder or his or her transferee in accordance herewith), whereupon Company shall by written notice to Holder cancel on its books the certificate(s) representing such Warrant Stock registered in the name of Holder and all of Holder's or his or her transferee's right, title, and interest in and to such Warrant Stock shall terminate in all respects.

(f) In the event that any Warrant Stock is repurchased pursuant to the exercise of the Repurchase Option, Holder and his or her successors, assigns or representatives shall take (at Company's expense) all steps necessary and desirable to obtain all required third-party, governmental and regulatory consents and approvals and take all other actions necessary and desirable to facilitate consummation of such repurchase in a timely manner. Any Warrant Shares repurchased by the Company pursuant to Section 2.1(a)(iii)(d) or otherwise, shall be cancelled and shall be treated as authorized unissued shares of the Company's capital stock; provided, that any such shares so repurchased and cancelled shall not be available for issuance to Southern Management under any compensatory plans or arrangements following such repurchase by the Company.

(b) In order to exercise this Warrant, in whole or in part, (x) Holder and Company must comply with applicable securities Laws and any Law governing the ownership and control of United States airlines by foreign Persons, and in no event shall this Warrant be exercisable unless (and only to the extent that) such exercise is consistent with such laws and (y) Holder shall deliver to Company at its principal office at 117 Glover Avenue, Norwalk, Connecticut 06850, Attention: Secretary, or at the office or agency designated by Company pursuant to Article XI, (i) a written notice of Holder's election to exercise this Warrant, which notice shall specify the number of shares of Common Stock to be purchased, (ii) payment of the Warrant Price, (iii) this Warrant [and (iv) if Holder is not a party to the Stockholders Agreement, an executed signature page to the Stockholders Agreement or a joinder thereto]. Such notice shall be substantially in the form of the subscription form attached hereto as Exhibit A, duly executed by Holder. Upon receipt thereof, Company shall, as promptly as practicable, and in any event within five (5) Business Days thereafter, execute or cause to be executed and deliver or cause to be delivered to Holder a certificate or certificates representing the aggregate number of full shares of Common Stock issuable upon such exercise, together with cash in lieu of any fraction of a share, as hereinafter provided. The stock certificate or certificates so delivered shall be, to the extent possible, in such denomination or denominations as such Holder shall request in the notice and shall be registered in the name of Holder or, subject to Article IX, such other name as shall be designated in the notice. This Warrant shall be deemed to have been exercised and such certificate or certificates shall be deemed to have been issued, and Holder or any other Person so designated to be named therein shall be deemed to have become a holder of record of such shares for all purposes, as of the date the notice is received by Company so long as the cash or check or other payment as provided below and this Warrant are received by Company promptly thereafter and all taxes required to be paid by Holder, if any, pursuant to Section 2.2

prior to the issuance of such shares have been paid. If this Warrant shall have been exercised in part, Company shall, at the time of delivery of the certificate or certificates representing Warrant Stock, deliver to Holder a new Warrant evidencing the rights of Holder to purchase the unpurchased shares of Common Stock called for by this Warrant, which new Warrant shall in all other respects be identical to this Warrant, or, at the request of Holder, appropriate notation may be made on this Warrant and the same returned to Holder. Notwithstanding any provision herein to the contrary, Company shall not be required to register shares in the name of any Person who acquired this Warrant (or part hereof) or any Warrant Stock otherwise than in accordance with this Warrant.

(c) Payment of the Warrant Price shall be made at the option of Holder by (i) certified or official bank check payable to the order of Company or by wire transfer of immediately available funds to an account designated in writing by Company, (ii) by Holder's surrender to Company of that number of shares of Warrant Stock (or the right to receive such number of shares upon exercise of the Warrant) or shares of Common Stock having an aggregate Current Market Price equal to or greater than the Current Warrant Price for all shares then being purchased (including those being surrendered), or (iii) any combination thereof, duly endorsed by or accompanied by appropriate instruments of transfer duly executed by Holder.

(d) If Holder elects to make payments of the Warrant Price by exchanging all or part of this Warrant for Common Stock as provided in Section 2.1(c), Holder shall tender to Company the Warrant for the amount being so exchanged, along with the notice of exercise indicating Holder's election to exchange all or part of the Warrant, and Company shall issue to Holder, instead of the number of shares of Warrant Stock such Holder would have received upon exercise of the Warrants had the Warrant Price been received in cash, the number of shares of Warrant Stock equal to the greater of zero and the number computed using the following formula:

$$X = \frac{Y(A-B)}{A}$$

Where

X = number of shares of Warrant Stock to be issued to Holder upon exercise;
 Y = total number of shares of Warrant Stock purchasable under the Warrant (or, if only a portion, the amount of Warrant Stock for which the Warrant is being exchanged);

A = Current Market Price of one share of Warrant Stock; and

B = Current Warrant Price.

2.2 Payment of Taxes. Company shall pay all expenses in connection with, and all taxes and other governmental charges that may be imposed with respect to, the issuance or delivery of any shares of Warrant Stock upon the exercise of this Warrant, unless such tax or charge is imposed by law upon Holder, in which case such taxes or charges shall be paid by Holder; provided that Company shall not be required to pay any tax or other charge imposed in connection with any transfer involved in the issue of any certificate for shares of Warrant Stock

upon exercise of this Warrant in any name other than that of Holder, and in such case Company shall not be required to issue or deliver any stock certificate until such tax or other charge has been paid or it has been established to the reasonable satisfaction of Company that no such tax or other charge is due.]

2.3 Fractional Shares. Company shall not be required to issue a fractional share of Common Stock upon exercise of any Warrant. As to any fraction of a share which Holder of one or more Warrants, the rights under which are exercised in the same transaction, would otherwise be entitled to purchase upon such exercise, Company shall pay a cash adjustment in respect of such final fraction in an amount equal to the same fraction of the Current Market Price per share of Common Stock on the date of exercise.

2.4 Notice of Significant Transaction. Company shall provide notice to Holder of any proposed Significant Transaction (including, without limitation, any Cash Sale) at least twenty (20) Business Days prior to the proposed occurrence of such Significant Transaction. Such notice shall also contain a complete description of such Significant Transaction, including, without limitation, the name of the proposed transferee, the consideration, the proposed closing date and all other material terms of such Significant Transaction.

2.5 No Voting Rights. For the avoidance of doubt, without limiting Holder's rights as a holder of Common Stock or other Equity Securities of Company, Holder shall not be entitled to any voting rights or, other than as provided herein, rights to consent or to receive notice, or any right to maintain any derivative actions by or in the right of Company, as an equity holder of Company solely on account of holding the Warrant until such time as the Warrant is exercised and Holder, as a result of such exercise, owns Common Stock.

ARTICLE III. TRANSFER, DIVISION AND COMBINATION

3.1 Transfer. Subject to compliance with Article IX, transfer of this Warrant and all rights hereunder, in whole or in part, shall be registered on the books of Company to be maintained for such purpose, upon surrender of this Warrant at the principal office of Company referred to in Section 2.1 or the office or agency designated by Company pursuant to Article XI, together with a written assignment of this Warrant substantially in the form of Exhibit B hereto duly executed by Holder and funds sufficient to pay any transfer taxes payable upon the making of such transfer. Upon such surrender and, if required, such payment, Company shall, subject to Article IX, execute and deliver a new Warrant or Warrants in the name of the assignee or assignees and in the denomination specified in such instrument of assignment, and shall issue to the assignor a new Warrant evidencing the portion of this Warrant not so assigned, and this Warrant shall promptly be cancelled. A Warrant, if properly assigned in compliance with Article IX, may be exercised by a new Holder for the purchase of shares of Common Stock without having a new Warrant issued.

3.2 Division and Combination. Subject to Article IX, this Warrant may be divided or combined with other Warrants upon presentation hereof at the principal office of Company or the aforesaid office or agency of Company, together with a written notice specifying the names and denominations in which new Warrants are to be issued, signed by Holder or its agent or attorney.

Subject to compliance with Section 3.1 and Article IX, as to any transfer which may be involved in such division or combination, Company shall execute and deliver a new Warrant or Warrants in exchange for the Warrant or Warrants to be divided or combined in accordance with such notice.

3.3 Expenses. Company shall prepare, issue and deliver at its own expense (other than transfer taxes) the new Warrant or Warrants under this Article III.

3.4 Maintenance of Books. Company agrees to maintain, at its principal office or the aforesaid office or agency, books for the registration and the registration of transfer of the Warrants.

ARTICLE IV. **ADJUSTMENTS**

The number of shares of Common Stock for which this Warrant is exercisable, or the Current Warrant Price, shall be subject to adjustment from time to time as set forth in this Article IV.

4.1 Stock Dividends, Subdivisions, Reclassifications and Combinations. If at any time Company shall:

(a) take a record of the holders of Common Stock for the purpose of entitling them to receive a dividend payable in, or other distribution of, Additional Shares of Common Stock;

(b) subdivide its outstanding shares of Common Stock into a larger number of shares of Common Stock;

(c) reclassify its outstanding shares of Common Stock; or

(d) combine its outstanding shares of Common Stock into a smaller number of shares of Common Stock,

then, in each case, upon the effectiveness thereof, (i) the number of shares of [Class A-3][Class C-2] Common Stock for which this Warrant is exercisable immediately after the occurrence of any such event shall be adjusted to equal the number of shares of [Class A-3][Class C-2] Common Stock which a record holder of the same number of shares of [Class A-3][Class C-2] Common Stock for which this Warrant is exercisable immediately prior to the occurrence of such event would own or be entitled to receive after the occurrence of such event, and (ii) the Current Warrant Price immediately prior to such adjustment shall be adjusted to equal (A) the Current Warrant Price multiplied by the number of shares of [Class A-3][Class C-2] Common Stock for which this Warrant is exercisable immediately prior to such adjustment divided by (B) the number of shares for which this Warrant is exercisable immediately after such adjustment.

4.2 Reorganization, Reclassification, Merger, Consolidation or Disposition of Assets.

(a) In the event of a Cash Sale or, if Company shall reorganize its capital, reclassify its capital stock, consolidate or merge with or into another Person (where Company is not the surviving corporation or where there is a change in or distribution with respect to the Common Stock) (a “Significant Transaction”) and, in the event of and pursuant to the terms of such Significant Transaction, shares of common stock of the successor or acquiring Person, or any cash, shares of capital stock or other securities or property of any nature whatsoever (including, without limitation, warrants or other subscription or purchase rights) in addition to or in lieu of common stock of the successor or acquiring Person (“Other Property”), are to be received by or distributed to the holders of Common Stock of Company, then the Board shall determine in its sole discretion whether:

(i) all or part of this Warrant shall remain outstanding following such Cash Sale or Significant Transaction and each Holder shall have the right thereafter to receive, upon exercise of such Warrant, the number of shares of common stock of the successor or acquiring Person or of Company, if it is the surviving corporation, and Other Property receivable upon or as a result of such reorganization, reclassification, merger, consolidation or disposition of assets by a holder of the number of shares of Common Stock for which this Warrant is exercisable immediately prior to such event. In the event of any such Cash Sale or Significant Transaction, the successor or acquiring Person (if other than Company) shall expressly assume the due and punctual observance and performance of each and every covenant and condition of this Warrant to be performed and observed by Company and all the obligations and liabilities hereunder, subject to such modifications as may be deemed appropriate (as determined in good faith by resolution of the Board in its sole discretion) in order to provide for adjustments of shares of Common Stock for which this Warrant is exercisable which shall be as nearly equivalent as practicable to the adjustments provided for in this Article IV. For purposes of this Section 4.2, “common stock of the successor or acquiring Person” shall include equity securities of such Person of any class which is not preferred as to dividends or assets over any other class of equity securities of such Person and which is not subject to redemption and shall also include any evidences of indebtedness, shares of capital stock or other securities which are convertible into or exchangeable for any such equity securities, either immediately or upon the arrival of a specified date or the happening of a specified event and any warrants or other rights to subscribe for or purchase any such equity securities; or

(ii) Holder shall receive, at the consummation of such Cash Sale or Significant Transaction, the consideration, if any, Holder would have received if, as of the record date for such Cash Sale or Significant Transaction, Holder had effected a cashless exercise of all or a part of this Warrant and received the shares of Common Stock that would be exercisable by Holder based on the aggregate equity value of Company implied by such transaction, and any remaining portion of this Warrant shall be automatically cancelled for no consideration. The foregoing provisions of this Section 4.2 shall similarly apply to successive reorganizations, reclassifications, mergers, consolidations or disposition of assets.

(b) In determining the treatment of any outstanding Warrant as provided in Section 4.2(a)(i) or Section 4.2(a)(ii), above, the Board may determine, in its sole discretion, whether vested and unvested Warrants are to be treated in the same or a different manner;

provided, however, that in making determinations as to the treatment of the Warrants under this Section 4.2, the Board may not adjust a Holder's rights under such Warrant in a manner that is materially adverse to such Holder without such Holder's consent.

4.3 Other Provisions Applicable to Adjustments under this Article. The following provisions shall be applicable to the making of adjustments of the number of shares of Common Stock for which this Warrant is exercisable and the Current Warrant Price provided for in this Article IV:

(a) When Adjustments to Be Made. The adjustments required by this Article IV shall be made whenever and as often as any specified event requiring an adjustment shall occur. For the purpose of any adjustment, any specified event shall be deemed to have occurred at the close of business on the date of its occurrence.

(b) Fractional Interests. In computing adjustments under this Article IV, fractional interests in Common Stock shall be taken into account to the nearest 1/10th of a share.

(c) When Adjustment Not Required. If Company shall take a record of the holders of Common Stock for the purpose of entitling them to receive a dividend, distribution or subscription or purchase rights and shall, thereafter and before the distribution to stockholders thereof, legally abandon its plan to pay or deliver such dividend, distribution, subscription or purchase rights, then thereafter no adjustment shall be required by reason of the taking of such record and any such adjustment previously made in respect thereof shall be rescinded and annulled.

4.4 Other Dilutive Events. In case any event shall occur as to which the provisions of this Article IV are not strictly applicable, but the failure to make any adjustment would not fairly protect the purchase rights presented by any of the Warrants in accordance with the essential intent and principles of this Article IV, then in each such case, Company shall make an adjustment (as determined mutually in good faith by the Board and holders of a majority of the Warrants) to the Current Warrant Price and the number of shares of Common Stock for which this Warrant is exercisable in accordance with the intent of this Article IV.

ARTICLE V. **NOTICES TO WARRANT HOLDERS**

5.1 Notice of Adjustments. Whenever the number of shares of Common Stock for which this Warrant is exercisable, or whenever the price at which a share of such Common Stock may be purchased upon exercise of the Warrants, shall be adjusted pursuant to Article IV, Company shall forthwith prepare a certificate to be executed by the chief financial officer of Company setting forth, in reasonable detail, the event requiring the adjustment and the method by which such adjustment was calculated, specifying the number of shares of Common Stock for which this Warrant is exercisable and (if such adjustment was made pursuant to Section 4.3) describing the number and kind of any other shares of capital stock or Other Property for which this Warrant is exercisable, and any change in the purchase price or prices thereof, after giving effect to such adjustment or change. Company shall promptly (and in no event later than 10 days

after the applicable event) cause a signed copy of such certificate to be delivered to each Holder in accordance with Section 12.1.

5.2 Notice of Corporate Action. If at any time:

(a) Company shall take a record of the holders of Common Stock for the purpose of entitling them to receive a dividend or other distribution, or any right to subscribe for or purchase any evidences of its indebtedness, any shares of stock of any class or any other securities or property, or to receive any other right;

(b) there shall be any capital reorganization of Company, any reclassification or recapitalization of the capital stock of Company or any consolidation or merger of Company with, or any sale, transfer or other disposition of all or substantially all the property, assets or business of Company to, another Person;

(c) there shall be a voluntary or involuntary dissolution, liquidation or winding up of Company; or

(d) Company shall take any other action that would require a vote of Company's stockholders;

then, in the case of clauses (a) through (c), Company shall give to Holder (i) at least twenty (20) Business Days' prior written notice of the date on which a record date shall be fixed for such dividend, distribution or right or for determining rights to vote in respect of any such reorganization, reclassification, merger, consolidation, sale, transfer, disposition, dissolution, liquidation or winding up, and (ii) in the case of any such reorganization, reclassification, merger, consolidation, sale, transfer, disposition, dissolution, liquidation or winding up, at least twenty (20) Business Days' prior notice of the proposed effective date of such action. Such notice in accordance with the foregoing clause also shall specify (i) the date on which any such record is to be taken for the purpose of such dividend, distribution or right, the date on which the holders of Common Stock shall be entitled to any such dividend, distribution or right, and the amount and character thereof, and (ii) the date on which any such reorganization, reclassification, merger, consolidation, sale, transfer, disposition, dissolution, liquidation or winding up is proposed to take place and the time, if any such time is to be fixed, as of which the holders of Common Stock shall be entitled to exchange their shares of Common Stock for securities or other property deliverable upon such reorganization, reclassification, merger, consolidation, sale, transfer, disposition, dissolution, liquidation or winding up. Each such written notice shall be delivered to Holder in accordance with Section 12.1 and shall not limit Company's obligations to deliver a certificate pursuant to Section 5.1. Failure to deliver such notice shall not affect the validity or legality of the action for which such notice is required to be given.

5.3 Notice of Expiration Date. Company shall give to each Holder 10 days' prior written notice (the "Expiration Date Notice") of the Expiration Date in accordance with Section 12.1. If Company fails to deliver the Expiration Date Notice on such date, the Expiration Date shall be automatically extended until 10 days after Company delivers the Expiration Date Notice to such Holder in accordance with Section 12.1.

ARTICLE VI.
NO IMPAIRMENT

6.1 Company shall not by any action or inaction, including, without limitation, amending its certificate of incorporation or through any reorganization, transfer of assets, consolidation, merger, dissolution, issue or sale of securities or any other voluntary action or inaction, specifically intend to, directly or indirectly, avoid or seek to avoid the observance or performance of any of the terms of this Warrant.

ARTICLE VII.
RESERVATION AND AUTHORIZATION OF COMMON STOCK

7.1 Company covenants and agrees that all shares of Common Stock that are issued upon the exercise of this Warrant shall, upon issuance, be validly issued, not subject to any preemptive rights, and, except as provided in the Stockholders Agreement (so long as such agreement is in effect), be free from all liens, security interests, charges and other encumbrances with respect to the issuance thereof.

7.2 From and after the date hereof, Company shall at all times reserve and keep available for issue upon the exercise of Warrants such number of its authorized but unissued shares of Common Stock as will be sufficient to permit the exercise in full of all outstanding Warrants. All shares of Common Stock which shall be so issuable, when issued upon exercise of any Warrant and payment therefor in accordance with the terms of such Warrant, shall be duly and validly issued and fully paid and nonassessable. Company shall take commercially reasonable actions to ensure that the Current Warrant Price, as adjusted from time to time pursuant to Article IV, will not be less than the par value of the shares of Common Stock issuable upon exercise of this Warrant, and seek to obtain all such authorizations, exemptions or consents from any public regulatory body having jurisdiction thereof as may be necessary to enable Company to perform its obligations under this Warrant.

7.3 Before taking any action which would result in an adjustment in the number of shares of Common Stock for which this Warrant is exercisable or in the Current Warrant Price, Company shall obtain all such authorizations or exemptions thereof, or consents thereto, as may be necessary from any public regulatory body or bodies having jurisdiction thereof.

7.4 If any shares of Common Stock required to be reserved for issuance upon exercise of Warrants require registration or qualification with any governmental authority or other governmental approval or filing under any federal or state law, before such shares may be so issued, Company will in good faith and as expeditiously as possible and at its expense endeavor to cause such shares to be duly registered or such approval to be obtained or filing made.

ARTICLE VIII.
TAKING OF RECORD; STOCK AND WARRANT TRANSFER BOOKS

8.1 In the case of all dividends or other distributions by Company to the holders of Common Stock with respect to which any provision of Article IV refers to the taking of a record of such holders, Company will in each such case take such a record and will take such record as of the close of business on a Business Day. Company will not at any time, except upon

dissolution, liquidation or winding up of Company, close its stock transfer books or warrant transfer books so as to result in preventing or delaying the exercise or transfer of any Warrant.

ARTICLE IX.
RESTRICTIONS ON TRANSFERABILITY

9.1 Transfers. As provided in Article I, for all purposes of this Article IX, the term Warrant Stock includes the Common Stock issuable upon exercise of the Warrants. The Warrants and the Warrant Stock shall not be transferred, hypothecated or assigned other than (i) (x) by will or the laws of descent and distribution, and the Warrant may be exercised during the lifetime of Holder only by him or (y) to a trust, partnership, limited liability company or other similar vehicle established and maintained solely for the benefit of Holder's spouse and descendants (whether natural or adopted), provided Holder controls such vehicle, and provided, further, that all terms of the Warrant (including vesting and termination provisions) shall continue to apply; and (ii) after satisfaction of the conditions specified in the Stockholders Agreement and in this Article IX, which conditions are intended, among other things, to ensure compliance with the provisions of the Securities Act with respect to the Transfer of any Warrant or any Warrant Stock and any other applicable securities Laws or Foreign Ownership Limitations. Any purported Transfer other than in accordance with the terms and conditions of this Warrant and the Stockholders Agreement shall be null and void, and Company shall not recognize any such Transfer for any purpose and shall not reflect in its records any change in record ownership pursuant to any such Transfer. Holder, by acceptance of this Warrant, agrees to be bound by the provisions of this Article IX.

9.2 Restrictive Legend.

(a) Except as otherwise provided in this Article IX, each certificate for Warrant Stock initially issued upon the exercise of this Warrant, and each certificate for Warrant Stock issued to any subsequent transferee of any such certificate, shall be stamped or otherwise imprinted with a legend in substantially the following form:

THE SHARES REPRESENTED BY THIS CERTIFICATE ARE
SUBJECT TO VARIOUS CONDITIONS INCLUDING,
CERTAIN RESTRICTIONS RELATING TO COMPLIANCE
WITH U.S. AIRLINE FOREIGN OWNERSHIP
RESTRICTIONS, AS SET FORTH IN THE CORPORATION'S
CERTIFICATE OF INCORPORATION, AS AMENDED (THE
'CERTIFICATE OF INCORPORATION'), AND THE
STOCKHOLDERS' AGREEMENT DATED AS OF [____], 2013
AMONG THE CORPORATION AND THE STOCKHOLDERS
NAMED THEREIN, AS IT MAY BE AMENDED FROM TIME
TO TIME (THE 'STOCKHOLDERS' AGREEMENT'). NO
REGISTRATION OR TRANSFER OF THESE SHARES WILL
BE MADE ON THE BOOKS OF THE CORPORATION
UNLESS AND UNTIL SUCH RESTRICTIONS SHALL HAVE
BEEN COMPLIED WITH. THE CORPORATION WILL
FURNISH WITHOUT CHARGE TO EACH HOLDER OF

RECORD OF THE SHARES REPRESENTED BY THIS CERTIFICATE A COPY OF THE CERTIFICATE OF INCORPORATION AND STOCKHOLDERS' AGREEMENT, CONTAINING THE ABOVE-REFERENCED RESTRICTIONS ON TRANSFERS OF STOCK, UPON WRITTEN REQUEST TO THE CORPORATION AT ITS PRINCIPAL PLACE OF BUSINESS.

THE SECURITIES REPRESENTED BY THIS INSTRUMENT HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR THE SECURITIES LAWS OF ANY STATE AND MAY NOT BE SOLD OR TRANSFERRED IN THE ABSENCE OF AN EFFECTIVE REGISTRATION STATEMENT UNDER THE ACT AND SAID LAWS OR AN EXEMPTION FROM THE REGISTRATION REQUIREMENTS THEREOF.

(b) Except as otherwise provided in this Article IX, each Warrant shall be stamped or otherwise imprinted with a legend in substantially the following form:

THE SECURITIES REPRESENTED BY THIS INSTRUMENT HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR THE SECURITIES LAWS OF ANY STATE AND MAY NOT BE SOLD OR TRANSFERRED IN THE ABSENCE OF AN EFFECTIVE REGISTRATION STATEMENT UNDER THE ACT AND SAID LAWS OR AN EXEMPTION FROM THE REGISTRATION REQUIREMENTS THEREOF.

IN ADDITION, NO OFFER, TRANSFER, ASSIGNMENT, SALE OR OTHER DISPOSITION OF THIS WARRANT OR THE SECURITIES ISSUABLE UPON EXERCISE OF THIS WARRANT MAY BE MADE EXCEPT IN ACCORDANCE WITH THE PROVISIONS OF THIS WARRANT AND THE STOCKHOLDERS AGREEMENT, A COPY OF WHICH IS AVAILABLE FROM THE COMPANY.

9.3 Notice of Proposed Transfers. Prior to any Transfer of any Warrants or any shares of Warrant Stock, the holder of such Warrants or Warrant Stock shall give written notice to Company of such Transfer and shall have complied with the requirements of the Stockholders Agreement as if the Warrant were Warrant Stock. Each certificate, if any, evidencing such shares of Warrant Stock issued upon such Transfer shall bear the restrictive legend set forth in Section 9.2(a), and each Warrant issued upon such Transfer shall bear the restrictive legend set forth in Section 9.2(b), unless, other than as to the legend relating to the Stockholders Agreement, either (i) in the opinion of counsel to such holder which is reasonably acceptable to Company, such legend is not required in order to ensure compliance with the Securities Act, (ii) such Warrant or Warrant Stock has been registered for resale under the Securities Act or

(iii) such Warrant or Warrant Stock may be sold pursuant to Rule 144 (or any successor provision then in effect) under the Securities Act.

ARTICLE X.
LOSS OR MUTILATION

10.1 Upon receipt by Company from any Holder of evidence reasonably satisfactory to Company of the ownership of and the loss, theft, destruction or mutilation of this Warrant and of an indemnity reasonably satisfactory to Company, and in the case of mutilation, upon surrender and cancellation of this Warrant, Company will execute and deliver in lieu of this Warrant, a new Warrant of like tenor to such Holder; provided, in the case of mutilation, no indemnity shall be required if this Warrant in identifiable form is surrendered to Company for cancellation.

ARTICLE XI.
OFFICE OF COMPANY

11.1 As long as any of the Warrants remain outstanding, Company shall maintain an office or agency (which may be the principal executive offices of Company) where the Warrants may be presented for exercise, registration of transfer, division or combination, as provided in this Warrant.

ARTICLE XII.
MISCELLANEOUS

12.1 Notices. Any notice, demand, request, consent, approval, declaration, delivery or other communication hereunder to be made pursuant to the provisions of this Warrant shall be in writing and shall be deemed given (a) when delivered personally by hand (with written confirmation of receipt), (b) when sent by facsimile (with written confirmation of transmission), (c) five days after being deposited with the United States Post Office, by registered or certified mail, postage prepaid, (d) one Business Day following the day sent by overnight courier (with written confirmation of receipt) or (e) when sent by electronic mail (with acknowledgment received), in each case at the following addresses and facsimile numbers (or to such other address or facsimile number as the applicable party may have specified by notice given to the other party pursuant to this provision):

(a) If to Holder, at its last known address (including electronic mail) or facsimile number appearing on the books of Company maintained for such purpose.

(b) If to Company, at:

[Southern Air Holdings, Inc.]
117 Glover Avenue
Norwalk, Connecticut 06850
Attention: Jon Olin
Facsimile: (203) 847-9612
Email: Jolin@southernair.com

12.2 Successors and Assigns. Subject to the provisions of Section 3.1 and Article IX, this Warrant and the rights evidenced hereby shall inure to the benefit of and be binding upon the successors of Company and the successors and permitted assigns of Holder. The provisions of this Warrant are intended to be for the benefit of all Holders from time to time of this Warrant and, with respect to Article IX, holders of Warrant Stock, and shall be enforceable by any such Holder or holder of Warrant Stock.

12.3 Amendments and Waivers. This Warrant and all other Warrants may be modified or amended, or the provisions hereof or thereof waived, only with the written consent of Company and the holders of a majority of the Tranche 1 Warrants or Tranche 2 Warrants, as applicable; provided that no such Warrant may be modified or amended to reduce the number of shares of Common Stock for which such Warrant is exercisable or to increase the price at which such shares may be purchased upon exercise of such Warrant (before giving effect to any adjustment as provided therein) without the prior written consent of the Holder thereof. The waiver of a breach of any provision of this Warrant shall not operate or be construed as a further or continuing waiver of such breach or as a waiver of any other or subsequent breach. No failure on the part of any party to exercise, and no delay in exercising, any right, power or remedy hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of such right, power or remedy by such party preclude any other or further exercise thereof or the exercise of any other right, power or remedy.

12.4 Severability. Wherever possible, each provision of this Warrant shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Warrant shall be prohibited by or invalid under applicable law, such provision shall be ineffective to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Warrant.

12.5 Headings. The headings used in this Warrant are for the convenience of reference only and shall not, for any purpose, be deemed a part of this Warrant.

12.6 Governing Law; Dispute Resolution. This Warrant shall be governed by, and construed in accordance with, the laws of the State of Delaware applicable to contracts made and performed in such State, without regard to any conflict of laws principles thereof. Any dispute, controversy or claim arising under, out of or relating to this Warrant shall be subject to arbitration in accordance with the Rules of Arbitration of the American Arbitration Association (“AAA”) for large or complex commercial disputes in force at the time when the arbitration is initiated. The place of arbitration shall be New York, NY, and the arbitration shall be conducted in the English language before neutral arbitrators appointed in accordance with the AAA Rules (the “Arbitrators”). The Arbitrators shall be bound to give effect to the express terms of this Warrant and may not award relief or otherwise make an award that is contrary to such express terms. The judgment rendered by the Arbitrators shall be final and binding on the parties, and judgment upon any such arbitration award may be entered by any court of competent jurisdiction.

12.7 Stockholders Agreement. This Warrant shall be subject to Sections 2.1, 5.2, 5.3, and 5.4 of that certain Stockholders Agreement, dated as of [the date hereof], by and among Company and certain of the stockholders of Company.

[Signature Page Follows]

IN WITNESS WHEREOF, Company and Holder have each caused this Warrant to be duly executed and delivered.

Dated: _____, 2013

[SOUTHERN AIR HOLDINGS, INC.]

By: _____

Name:

Title:

HOLDER

Name:

Exhibit A

SUBSCRIPTION FORM

[To be executed only upon exercise of Warrant]

Reference is made to that certain Warrant, dated as of [•], 2013, issued by [Southern Air Holdings, Inc.] (the “Company”) to [Southern Management] (the “Warrant”). Capitalized terms used herein which are not otherwise defined shall have the respective meanings ascribed to them in the Warrant.

The undersigned registered owner of the Warrant hereby irrevocably exercises the Warrant for the purchase of _____ shares of [●] Stock and herewith makes payment therefor, all at the price and on the terms and conditions specified in the Warrant (including, as the undersigned may elect, payment of the Warrant Price through cashless exercise, in accordance with Section 2.1(d) thereof) and, if such shares of [●] Stock shall not include all of the shares of [●] Stock issuable as provided in this Warrant, that a new Warrant of like tenor and date for the balance of the shares of [●] Stock issuable thereunder be delivered to the undersigned.

(Name of Registered Owner)

(Signature of Registered Owner)

(Street Address)

(City) (State) (Zip Code)

(Email Address)

NOTICE: The signature on this subscription must correspond with the name as written upon the face of the Warrant.

Exhibit B

ASSIGNMENT FORM

FOR VALUE RECEIVED the undersigned registered owner of this Warrant hereby sells, assigns and transfers unto the Assignee named below all of the rights of the undersigned under this Warrant, with respect to the number of shares of [●] Stock set forth below:

Name, Street Address and Email Address of Assignee

No. of Shares of
[●] Stock

and does hereby irrevocably constitute and appoint _____ attorney-in-fact to register such transfer on the books of [Southern Air Holdings, Inc.] maintained for the purpose, with full power of substitution in the premises.

Dated: _____

Print Name: _____

Signature: _____

NOTICE: The signature on this assignment must correspond with the name as written upon the face of the within Warrant.

Exhibit B

Form of Management Equity Plan

**Southern Air Holdings, Inc.
Restricted Stock Award Agreement**

SECTION 1. GRANT OF THE RESTRICTED STOCK AWARD.

(a) **Restricted Stock Award.** The Compensation Committee of the Board of Directors of Southern Air Holdings, Inc. (the "Company") hereby grants to the undersigned (the "Grantee") common shares of the Company (the "Restricted Stock"), par value \$0.01 per share (a "Share"), in the amount and on the date (the "Grant Date") set forth on the signature page hereto pursuant to the terms and conditions set forth in this agreement (the "Agreement").

(b) **No Purchase Price.** In lieu of a purchase price, this Award is made in consideration of service previously rendered by the Grantee to the Southern Air Inc. ("Southern Air").

SECTION 2. ISSUANCE OF SHARES.

(a) **[Stock Certificates.** The Company shall cause a certificate or certificates to be issued for the Restricted Stock granted pursuant to this Agreement, registered in the name of the Grantee (or in the names of the Grantee and his or her spouse as community property or as joint tenants with right of survivorship).]

(b) **Shareholder Rights and Stockholders Agreement.** The Grantee (or any successor in interest) shall generally have all of the rights of a shareholder of the Company (including, without limitation, voting, dividend and liquidation rights) with respect to the Restricted Stock, subject, however, to the restrictions set forth in this Agreement. The Restricted Stock shall be subject to Sections 2.1, 5.2, 5.3, and 5.4 of that certain Stockholders Agreement, dated as of [the date hereof], by and among the Company and certain of the stockholders of the Company.

(c) **Escrow.** The Restricted Stock, together with any other assets or securities in respect of such Restricted Stock (e.g., dividends), shall be remitted to the Company and subject to forfeiture pursuant to Section 3 and all other restrictions of this Agreement. Subject to the provisions of Sections 3 and 4 of this Agreement, all vested Shares (and any other vested assets and securities attributable thereto) shall be released by the Company to the Grantee within sixty (60) days following the earlier of the applicable Vesting Date (as defined below) or the date of the Grantee's termination of service with Southern Air (if the Committee accelerates vesting in its discretion under Section 3(a)). At all times prior to the release of the Shares pursuant to the foregoing sentence, the certificate(s) representing the Shares shall remain in the Company's possession. In connection with this paragraph, the Grantee shall deliver to the Company a duly-executed blank stock power in the form attached hereto as **Exhibit A**.

(d) **Section 83(b) Election.** Section 83 of the Code provides that the Grantee is not subject to federal income tax until the restrictions on the Restricted Stock lapse. If the Grantee chooses, the Grantee may make an election under Section 83(b) of the Code, which would cause the Grantee to recognize income as of the Grant Date in the amount of the excess of the Fair Market Value of the Restricted Stock (determined as of the Grant Date) over the purchase price (if any). If the Grantee chooses to make an election under Section 83(b) of the Code, such Section 83(b) election must be filed with the Internal Revenue Service within thirty (30) days after the Grant Date and promptly filed with the Company. **The Grantee acknowledges that it is the Grantee's sole responsibility to timely file the Section 83(b) election and that failure to file a Section 83(b) election within the applicable thirty (30)-day period may result in the recognition of ordinary income when the restrictions lapse. The**

Grantee should consult his or her personal tax advisor about the effect of filing or failing to file an election under Section 83(b) of the Code.

(e) **Withholding Requirements.** The Company shall have the power and the right to deduct or withhold automatically from any distribution of Restricted Stock (or assets or securities in respect of such Restricted Stock) under this Agreement or otherwise, or require the Grantee to remit to the Company, the minimum statutory amount to satisfy federal, state, and local taxes, domestic or foreign, required by law or regulation to be withheld with respect to any taxable event arising pursuant to this Agreement; provided, however, that with respect to any required withholding, the Grantee may elect, subject to the approval of the Committee, to satisfy the withholding requirement, in whole or in part, by having the Company withhold Shares having a fair market value (as determined in by the Board) on the date the tax is to be determined equal to the minimum statutory total tax that could be imposed on the transaction.

SECTION 3. VESTING.

The Restricted Stock shall become vested in equal installments on (and not before) each of the first three anniversaries of the Grant Date (each such date, a "Vesting Date"), subject to the Grantee's continuous provision of services to Southern Air through and including the applicable Vesting Date; provided, however, to the extent the Restricted Stock is unvested as of immediately prior to the occurrence of a Change of Control, the Restricted Stock shall become fully vested upon such Change of Control, subject to the Grantee's continuous provision of services to Southern Air through and including the date of such Change of Control. Any unvested Restricted Stock as of the Grantee's termination of service with Southern Air upon the Grantee's death or disability, by the Grantee for Good Reason or by the Company or Southern Air without Cause (as each of those terms are used or defined in the Grantee's employment agreement with Southern Air dated __,) shall vest and be released from escrow. Any unvested Restricted Stock as of the Grantee's termination of service with Southern Air for any other reason (the "Unvested Shares") shall be deemed retransferred to and reacquired by the Company, without consideration, effective as of the date of termination of service, and the Grantee shall forfeit all rights in connection with the Unvested Shares; provided, however, that the Committee may, in its discretion, accelerate the vesting of all or any portion of the Unvested Shares upon any such termination of service. Upon forfeiture of Unvested Shares, this Award shall be cancelled with respect to the Unvested Shares and the Company and Southern Air shall have no further obligation thereunder.

SECTION 4. MISCELLANEOUS PROVISIONS.

(a) **Securities Laws.** The Grantee acknowledges and agrees that any sale or distribution of the Shares issued, in whole in part, pursuant to this Agreement may be made only pursuant to either (i) a registration statement on an appropriate form under the Securities Act of 1933, as amended (the "Securities Act"), which registration statement has become effective and is current with regard to the Shares being sold, or (ii) a specific exemption from the registration requirements of the Securities Act that is confirmed in a favorable written opinion of counsel, in form and substance satisfactory to counsel for the Company, prior to any such sale or distribution. The Grantee hereby consents to such action as the Committee deems necessary or appropriate from time to time to prevent a violation of, or to perfect an exemption from, the registration requirements of the Securities Act or to implement the provisions of this Agreement, including, but not limited to, placing restrictive legends on certificates evidencing Shares issued, in whole or in part, pursuant to this Agreement and delivering stop transfer instructions to the Company's stock transfer agent.

(b) **Additional Restrictions.** The issuance or delivery of any stock certificates representing Shares issuable, in whole or in part, pursuant to this Agreement may be postponed by the Committee for

such period as may be required to comply with any applicable requirements under the federal or state securities laws, any applicable listing requirements of any national securities exchange or national securities association, and any applicable requirements under any other law, rule or regulation applicable to the issuance or delivery of such Shares, and the Company shall not be obligated to deliver any such Shares to the Grantee if either delivery thereof would constitute a violation of any provision of any law or of any regulation of any governmental authority, any national securities exchange or national securities association.

(c) **The Grantee Undertaking.** The Grantee agrees to take whatever additional action and execute whatever additional documents the Company may deem necessary or advisable to carry out or effect one or more of the obligations or restrictions imposed on either the Grantee or upon the Shares issuable, in whole or in part, pursuant to this Agreement.

(d) **Tenure.** Nothing in the Agreement shall confer upon the Grantee any right to continue in service with Southern Air for any period of specific duration or interfere with or otherwise restrict in any way the rights of the Company (or Southern Air) or of the Grantee, which rights are hereby expressly reserved by each, to terminate his or her services with Southern Air at any time and for any reason, with or without cause.

(e) **Notification.** Any notification required by the terms of this Agreement shall be given in writing and shall be deemed effective upon personal delivery or upon receipt following deposit with the United States Postal Service, by registered or certified mail, with postage and fees prepaid. A notice shall be addressed to the Company (attention: [Group Company Secretary]¹) at its principal executive office and to the Grantee at the address that he or she most recently provided in writing to the Company.

(f) **Entire Agreement.** This Agreement constitutes the entire contract between the parties hereto with regard to the subject matter hereof. It supersedes any other agreements, representations or understandings (whether oral or written and whether express or implied) which relate to the subject matter hereof.

(g) **Waiver.** No waiver of any breach or condition of this Agreement shall be deemed to be a waiver of any other or subsequent breach or condition whether of like or different nature.

(h) **Successors and Assigns; No Transfer.** The provisions of this Agreement shall inure to the benefit of, and be binding upon, the Company and its successors and assigns and upon the Grantee, the Grantee's assigns and the legal representatives, heirs and legatees of the Grantee's estate, whether or not any such person shall have become a party to this Agreement and shall have agreed in writing to be joined herein and be bound by the terms hereof. The Restricted Stock shall not be transferable or assignable by the Grantee except in the event of his death (subject to the applicable laws of descent and distribution) and any such purported assignment, alienation, pledge, attachment, sale, transfer or encumbrance shall be void and unenforceable against the Company or any Affiliate.

(i) **Adjustment of the Restricted Stock.** In the event of any corporate event or transaction, other than a Change in Control, involving the Company, a subsidiary and/or an affiliate (including, but not limited to, a change in the Shares of the Company or the capitalization of the Company) such as a merger, consolidation, reorganization, recapitalization, separation, extraordinary stock dividend, stock split, reverse stock split, split up, spin-off, combination of Shares, exchange of Shares, dividend in kind, amalgamation, or other like change in capital structure (other than regular cash or stock dividends to shareholders of the Company), or any similar corporate event or transaction, the Committee, to prevent

¹ Note to Company: Confirm notice party.

dilution or enlargement of the Grantee's rights under this Agreement, shall substitute or adjust, in its sole discretion, the number and kind of Shares or other property that have been granted pursuant to this Agreement, the number and kind of Shares or other property subject to this Agreement, and/or other value determinations applicable to the Restricted Stock granted pursuant to this Agreement.

(j) **Governing Law.** This Agreement shall be governed by the laws of the State of Delaware, excluding any conflicts or choice of law rule or principle that might otherwise refer construction or interpretation of the Agreement to the substantive law of another jurisdiction.

(k) **Compliance with Section 409A of the Code.** The Company intends that the Restricted Stock (or related dividends) be structured in compliance with, or to satisfy an exemption from, Section 409A of the Code and all regulations, guidance, compliance programs and other interpretative authority thereunder ("Section 409A"), such that there are no adverse tax consequences, interest, or penalties as a result of the payments. Notwithstanding the Company's intention, in the event the Restricted Stock (or related dividends) are subject to Section 409A, the Committee may, in its sole discretion, and without the Grantee's prior consent, amend this Agreement, adopt policies and procedures, or take any other actions (including amendments, policies, procedures and actions with retroactive effect) as are necessary or appropriate to (a) exempt this Agreement from the application of Section 409A, (b) preserve the intended tax treatment of this Agreement, or (c) comply with the requirements of Section 409A, including without limitation any such regulations guidance, compliance programs and other interpretative authority that may be issued after Grant Date. The Committee shall interpret this Agreement and any ambiguous provision thereof so that this Agreement shall comply with Code Section 409A. Notwithstanding any contrary provision in this Agreement, any payment(s) of nonqualified deferred compensation (within the meaning of Section 409A) that are otherwise required to be made under the Agreement to a "specified employee" (as defined under Section 409A) as a result of his or her separation from service (other than a payment that is not subject to Section 409A) shall be delayed for the first six (6) months following such separation from service (or, if earlier, the date of death of the specified employee) and shall instead be paid on the date that immediately follows the end of such six-month period or as soon as administratively practicable thereafter. A termination of service shall not be deemed to have occurred for purposes of any provision of the Agreement providing for the payment of any amounts or benefits that are considered nonqualified deferred compensation under Section 409A upon or following a termination of service, unless such termination is also a "separation from service" within the meaning of Section 409A and the payment thereof prior to a "separation from service" would violate Section 409A. For purposes of any such provision of the Agreement relating to any such payments or benefits, references to a "termination," "termination of service" or like terms shall mean "separation from service."

(l) **Administration of Award.** The Agreement shall be administered by the Committee, which shall have full power to interpret and administer the Agreement. Without limiting the generality of the foregoing, the Committee may, in its sole discretion, clarify, construe or resolve any ambiguity in any provision of the Agreement or waive any terms or conditions set forth in the Agreement, except that any action which would materially diminish the rights of the Grantee under this Agreement shall require the Grantee's written consent. The Committee shall have full and exclusive discretionary power to adopt rules, forms, instruments, and guidelines for administering the Agreement as the Committee deems necessary or proper. All actions taken and all interpretations and determinations made by the Committee or by the Board (or any other committee or sub-committee thereof), as applicable, shall be final and binding upon the Grantee, the Company, and all other interested individuals.

[Signature page follows.]

Please acknowledge receipt of this Agreement by signing the enclosed copy of this Agreement in the space provided below and returning it promptly to the [Group Company Secretary].

Grant Date: _____

Number of Shares of the Restricted Stock: _____

SOUTHERN AIR HOLDINGS, INC.

BY: _____

Name:

Title:

THE GRANTEE

Accepted and Agreed to

As of: _____, _____

BY: _____

Name:

EXHIBIT A

STOCK POWER

FOR VALUE RECEIVED the undersigned hereby sell(s), assign(s) and transfer(s) unto Southern Air Holdings, Inc. ("the Company"), _____ (_____) [common shares, par value \$0.01 per share], of the Company standing in [his/her/their/its] name on the books of the Company represented by Certificate No. _____ herewith and do(es) hereby irrevocably constitute and appoint _____ [his/her/their/its] attorney-in-fact, with full power of substitution, to transfer such shares on the books of the Company.

Dated: _____

Signature: _____

Print Name and Mailing Address:

Instructions: *Please do not fill in any blanks other than the signature line and printed name and mailing address. Please print your name exactly as you would like your name to appear on the issued stock certificate. The purpose of this assignment is to enable the Company to exercise its right to forfeit the shares without requiring additional signatures on your part.*

Exhibit C

Form of Management Agreement

DOCUMENT FILED UNDER SEAL