

**UNITED STATES BANKRUPTCY COURT
DISTRICT OF DELAWARE**

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<i>In re</i>	: Chapter 11
SOUTHERN AIR HOLDING, INC., <i>et al.</i> ,	: :
	: Case No. Case No. 12-12690 (CSS)
Debtors.	: (Jointly Administered)
	: : :
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**MODIFICATION OF SECOND AMENDED
JOINT PLAN OF AFFILIATED DEBTORS PURSUANT TO
CHAPTER 11 OF THE UNITED STATES BANKRUPTCY CODE**

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Dated: March 11, 2013



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. Southern hereby modify the Second Amended Joint Plan of Affiliated Debtors Pursuant to Chapter 11 of the United States Bankruptcy Code, dated January 18, 2013 (the “Plan”),¹ as follows:

1. Section 1.2 of the Plan, entitled “***Administrative Expense Claim***”, is hereby modified by inserting the following sentence at the conclusion thereof:

“Notwithstanding the foregoing, with respect to the items referred to in clauses (a) through (c) above, and to the extent permitted by applicable non-bankruptcy law or the documents and instruments related thereto, “Administrative Expense Claim” shall include interest, penalties, or late charges arising from or relating to the period from the Petition Date up to and including the Effective Date.”

2. Section 1.159, entitled “***Exit Lenders***”, shall be added to the Plan and shall in its entirety as follows:

“Section 1.159. Exit Lenders: Collectively, the lenders party to the Exit Facility.”

3. Section 1.160, entitled “***Lender Parties***”, shall be added to the Plan and shall in its entirety as follows:

“Section 1.160. Lender Parties: Collectively, the DIP Lenders, the Exit Lenders and the Prepetition Lenders.”

4. Section 7.1 of the Plan, entitled “***Treatment of Allowed Other Secured Claims***”, is hereby modified by inserting the words “and otherwise calculated” in clause (d) (ii) thereof following the word “applicable”.

5. Section 16.9 of the Plan, entitled “***Distribution of Litigation Trust Assets/Litigation Trust Claims Reserve***”, is hereby modified by (a) deleting the provisions therein in their entirety and (b) inserting the following in lieu thereof:

“Distributions. The Litigation Trustee shall distribute to the Litigation Trust Beneficiaries on account of their Litigation Trust Beneficial Interests, on the Initial Distribution Date and on each Distribution Date thereafter, such holders’ Pro Rata Share of unrestricted Cash on hand (including any Cash received from the Debtors on the Effective Date pursuant to Section 8.1 of the Plan,

¹ All terms used but not defined herein shall have the meanings ascribed to them in the Plan.

and treating any permissible investment as Cash for purposes of Section 4.1 of the Litigation Trust Agreement), except (i) the Litigation Trust Administrative Reserve and (ii) such amounts as are allocable to or retained on account of Disputed General Unsecured Claims in accordance with Section 4.1 of 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 Beneficial Interests (and the Cash attributable thereto), in an amount equal to the Estimated Amount. 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. The Disputed Claims Reserve shall be either (x) held by the Litigation Trustee, in an interest-bearing account with a United States FDIC insured financial institution 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 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 Disputed Claims Reserve relating to such Claim).”

6. Section 17.1 of the Plan, entitled “*Prosecution of Claims*”, is hereby modified by deleting the words “any claims under the Shared Insurance Policies” in the seventh line thereof.

7. Section 22.1 of the Plan, entitled “***Assumption and Assignment of Executory Contracts and Unexpired Leases***”, is hereby modified by inserting the word “or” in fifth line thereof following the word “Date”.

8. Section 22.3 of the Plan, entitled “***Cure of Defaults for Assumed Executory Contracts and Unexpired Leases***”, is hereby modified by (a) deleting the proviso at the conclusion of the third sentence therein and (b) inserting the following in lieu thereof:

“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 by 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 (provided such objecting party’s executory contract or unexpired lease is subject to such amendment) and (ii) thirty (30) days after the Effective Date”

9. Section 22.5 of the Plan, entitled “***Rejection Damage Claims***”, is hereby modified by inserting the following prior to the period at the conclusion thereof:

“(provided such filing party’s executory contract or unexpired lease is subject to such amendment)”

10. Section 31.11 of the Plan, entitled “***Supplemental Injunction***”, is hereby amended by (a) deleting the words “Notwithstanding anything contained herein to the contrary” at the beginning thereof and (b) inserting the words “Except as otherwise provided in the Plan or the Confirmation Order” in lieu thereof.

11. Except, as expressly provided herein, the terms and provisions of the Plan shall remain in full force and effect.

Dated: Wilmington, Delaware
March 11, 2013

SOUTHERN AIR HOLDINGS, INC.
AND ITS AFFILIATED DEBTORS

By: /s/ Daniel J. McHugh
Name: Daniel J. McHugh
Title: President and Chief Executive Officer

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