

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., :

:

Debtors.¹ : **Jointly Administered**

:

: **Re: Docket Nos. 470, 518, 573, 598, 612, 613, 614,**

: **615, 627, 631, 640, 641, 642, 643, 645 & 646**

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**NOTICE OF FILING OF PROPOSED FINDINGS OF FACT,
CONCLUSIONS OF LAW, AND ORDER CONFIRMING SECOND
AMENDED JOINT PLAN OF AFFILIATED DEBTORS PURSUANT
TO CHAPTER 11 OF THE UNITED STATES BANKRUPTCY CODE**

PLEASE TAKE NOTICE that the above-captioned debtors and debtors in possession (collectively, the “Debtors”) hereby submit the proposed *Findings of Fact, Conclusions of Law, and Order Confirming Second Amended Joint Plan of Affiliated Debtors Pursuant to Chapter 11 of the United States Bankruptcy Code* (the “Proposed Confirmation Order”), a copy of which is annexed hereto as Exhibit A.

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



PLEASE TAKE FURTHER NOTICE that the Debtors intend to present a form of order substantially similar to the Proposed Confirmation Order at the hearing scheduled for March 14, 2013 at 2:00 p.m. (Eastern Time).

Dated: March 13, 2013
Wilmington, Delaware

/s/ M. Blake Cleary
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EXHIBIT A

Proposed Confirmation Order

**UNITED STATES BANKRUPTCY COURT
DISTRICT OF DELAWARE**

	X		
	:		
<i>In re</i>	:		Chapter 11
	:		
SOUTHERN AIR HOLDINGS, INC., et al.,	:		Case No. 12-12690 (CSS)
	:		
Debtors.¹	:		Jointly Administered
	:		
	:		Re: Docket Nos. 470, 518, 573, 598, 612, 613, 614, 615, 627, 631, 640, 641, 642, 643, 645 & 646
	:		
	X		

**FINDINGS OF FACT, CONCLUSIONS OF LAW, AND ORDER
CONFIRMING SECOND AMENDED JOINT PLAN OF AFFILIATED DEBTORS
PURSUANT TO CHAPTER 11 OF THE UNITED STATES BANKRUPTCY CODE**

Southern Air Holdings, Inc. (“Holdings”) and its affiliated debtors, as debtors and debtors in possession (collectively, the “Debtors”), having proposed and filed with the United States Bankruptcy Court for the District of Delaware (the “Bankruptcy Court”) (i) that certain *Second Amended Joint Plan of Affiliated Debtors Pursuant to Chapter 11 of the United States Bankruptcy Code*, dated January 18, 2013, [Docket No. 470] (as may be modified, the “Plan”),² a copy of which is annexed as Exhibit A hereto, (ii) that certain *Modification of Second Amended Plan of Affiliated Debtors Pursuant to Chapter 11 of the United States Bankruptcy Code*, dated March 11, 2013, [Docket No. 643] (the “Plan Modification”), a copy of which is attached hereto as Exhibit B, (iii) 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

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 herein shall have the meanings ascribed to them in the Plan.

18, 2013, [Docket No. 520] (the “Disclosure Statement”), and (iv) the Plan Supplement, dated February 19, 2013, as amended, [Docket Nos. 573, 598, 615, and 631]; and the appropriate ballots for voting on the Plan, in the forms attached as Exhibit B to that certain *Order (I) Approving the Proposed Disclosure Statement and the Form and Manner of the Notice of a Hearing Thereon, (II) Establishing Solicitation and Voting Procedures, (III) Scheduling a Confirmation Hearing, and (IV) Establishing Notice and Objection Procedures for Confirmation of the Debtors’ Plan Pursuant to Sections 105, 502, 1125, 1126, and 1128 of the Bankruptcy Code, Bankruptcy Rules 2002, 3003, 3017, 3018, and 3020, and Local Rules 2002-1, 3017-1 and 9006-1*, dated January 29, 2013, [Docket No. 518] (the “Disclosure Statement Order”), having been duly transmitted to holders of Claims in compliance with the procedures contained in the Disclosure Statement Order (the “Solicitation Procedures”), as set forth in the (i) *Affidavit of Service of Kurtzman Carson Consultants LLC (“KCC”)* (and any supplements thereto), dated February 8, 2013, [Docket No. 546] (the “KCC Affidavit”), and sworn to by Michael J. Paque of KCC and (ii) *Declaration of Michael J. Paque on Behalf of Kurtzman Carson Consultants Certifying the Methodology for the Tabulation of Votes on and Results of Voting with Respect to the Second Amended Joint Plan of Affiliated Debtors Pursuant to Chapter 11 of the United States Bankruptcy Code*, dated March 11, 2013, [Docket No. 642] (the “Paque Declaration” and together with the KCC Affidavit, the “Voting Certification”); and the Bankruptcy Court having approved the Solicitation Procedures and the Disclosure Statement as containing “adequate information” (as defined in section 1125 of the Bankruptcy Code) pursuant to the Disclosure Statement Order; and that certain *Declaration of William B. Murphy in Support of Confirmation of the Second Amended Joint Plan of Affiliated Debtors Pursuant to Chapter 11 of the United States Bankruptcy Code*, dated March 11, 2013, [Docket No. 645] (the “Murphy Declaration”),

having been filed in support of confirmation of the Plan; and responses or objections to confirmation of Plan having been filed by: (i) The Los Angeles County Treasurer and Tax Collector, dated March 1, 2013, [Docket No. 612]; (ii) The United States of America, on behalf of its Internal Revenue Service, dated March 1, 2013, [Docket No. 613]; (iii) The Office of the United States Trustee for the District of Delaware (the “U.S. Trustee”), dated March 1, 2013, [Docket No. 614]; and (iv) The United States of America, dated March 6, 2013, [Docket No. 627] (together with any objections raised at the Confirmation Hearing, collectively, the “Objections”); and the Bankruptcy Court having held the Confirmation Hearing on March 14, 2013; and the Objections having been resolved, including to the extent such resolution is set forth in any modification to the Plan herein, overruled, or withdrawn prior to or during the Confirmation Hearing; and after due deliberation and sufficient cause appearing therefor; the Bankruptcy Court hereby FINDS, DETERMINES, AND CONCLUDES that:

FINDINGS OF FACT AND CONCLUSIONS OF LAW

A. Findings and Conclusions. The findings and conclusions set forth herein and on the record of the Confirmation Hearing constitute the Bankruptcy Court’s findings of fact and conclusions of law pursuant to Rule 52 of the Federal Rules of Civil Procedure, as made applicable herein by Rules 7052 and 9014 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”). To the extent any of the following findings of fact constitute conclusions of law, they are adopted as such. To the extent any of the following conclusions of law constitute findings of fact, they are adopted as such.

B. Jurisdiction, Venue, Core Proceeding (28 U.S.C. §§ 157(b)(2), 1334(a)).
The Bankruptcy Court has jurisdiction over the Debtors’ Chapter 11 Cases pursuant to 28 U.S.C. §§ 157 and 1334, and the *Amended Standing Order of Reference from the United States District*

Court for the District of Delaware, dated as of February 29, 2012. Approval of the Plan is a core proceeding pursuant to 28 U.S.C. § 157(b) and the Bankruptcy Court has jurisdiction to enter a final order with respect thereto. Venue is proper before the Bankruptcy Court pursuant to 28 U.S.C. §§ 1408 and 1409. The Debtors are eligible debtors under section 109 of the Bankruptcy Code. The Debtors are proper plan proponents under section 1121(a) of the Bankruptcy Code.

C. Judicial Notice. The Bankruptcy Court takes judicial notice of the docket of the Debtors' Chapter 11 Cases maintained by the Clerk of the Court, including all pleadings and other documents filed, all orders entered, and all evidence and arguments made, proffered, or adduced at the hearings held before the Bankruptcy Court during the pendency of these Chapter 11 Cases.

D. Burden of Proof. The Debtors have the burden of proving the elements of sections 1129(a) and (b) of the Bankruptcy Code by a preponderance of the evidence. The Debtors have met their burden with respect to each Debtor and each element of section 1129 of the Bankruptcy Code.

E. Chapter 11 Petitions. On September 28, 2012 (the "Petition Date"), each of the Debtors filed voluntary petitions for relief under chapter 11 of the Bankruptcy Code with the Bankruptcy Court. The Debtors continue to operate their businesses and manage their properties as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. In accordance with the Bankruptcy Court's order, dated September 28, 2012, [Docket No. 42], the Debtors' cases are being jointly administered pursuant to Bankruptcy Rule 1015(b).

F. Statutory Committee of Unsecured Creditors. On November 21, 2012, the U.S. Trustee appointed a statutory committee of unsecured creditors in the Debtors' Chapter 11

Cases (the “Creditors’ Committee”). No trustee or examiner has been appointed in these Chapter 11 Cases.

G. The Compromise and Settlement Embodied in the Plan is Fair, Reasonable, and in the Best Interests of the Debtors’ Estates. The Plan is the result of extensive good faith, arm’s length negotiations among the Debtors, the Consenting Lenders, the DIP Lenders, the Exit Lenders, the Oak Hill Entities, and the Creditors’ Committee and is consistent in all material respects with the Plan Support Agreement, dated September 27, 2012, by and among the Debtors, the Consenting Lenders, and the Oak Hill Entities, as amended. The Plan constitutes a good faith, arm’s 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. Such compromises or settlements (i) are in the best interests of (x) the Debtors, the Reorganized Debtors³ and their respective estates and property, and (y) holders of Claims and Equity Interests, and (ii) are fair, equitable and reasonable.

The Solicitation Process

H. Adequacy of Disclosure Statement. Pursuant to the Disclosure Statement Order, the Bankruptcy Court approved the Disclosure Statement and found, among other things, that the Disclosure Statement contains “adequate information” within the meaning of section 1125 of the Bankruptcy Code and authorized the Debtors to solicit acceptances and rejections of the Plan, as well as certain elections with respect thereto.

³ For the avoidance of doubt, references to actions authorized, approved, or deemed to be taken by the Reorganized Debtors pursuant to or in accordance with this Order shall include Cargo LLC, the Entity to be formed on or prior to the Effective Date pursuant to the Plan.

I. Solicitation. The Plan, the Disclosure Statement, the Disclosure Statement Order, the Ballots, and notice of the Confirmation Hearing were transmitted and served in compliance with the Bankruptcy Rules, including Bankruptcy Rules 3017 and 3018, the Local Rules of Bankruptcy Practice and Procedure of the United States Bankruptcy Court for the District of Delaware (the “Local Rules”), and the Disclosure Statement Order. The forms of the Ballots adequately address the particular needs of these Chapter 11 Cases and are appropriate for holders of Class 2 (Prepetition Lender Claims), Class 4 (General Unsecured Claims), Class 5 (Convenience Claims), and Class 6 (General Liability Insured Litigation Claims) – the Classes of Claims entitled to vote to accept or reject the Plan. The period during which the Debtors solicited acceptances to the Plan was a reasonable period of time for holders to make an informed decision to accept or reject the Plan. The Debtors were not required to solicit votes from the holders of Claims or Equity Interests in Class 1 (Priority Non-Tax Claims), Class 3 (Other Secured Claims), Class 10 (Cargo 360 Equity Interests), Class 11 (Southern Air Equity Interests), and Class 12 (Air Mobility Interests) as each of these Classes of Claims or Equity Interests is unimpaired under the Plan, and thus, the holders of such Claims or Equity Interests are deemed to have accepted the Plan. The Debtors also were not required to solicit votes from the holders of Claims or Equity Interests in Class 7 (Subordinated Claims), Class 8 (Preferred Equity Interests), Class 9 (Holdings Equity Interests), and Classes 13 through 26 (LLC Equity Interests) as Claims or Equity Interests in these classes will not receive any recovery under the Plan and, thus, the holders of such Claims or Equity Interests are deemed to have rejected the Plan. As described in and as evidenced by the Voting Certification, the transmittal and service of the Plan, the Disclosure Statement, the Disclosure Statement Order, the Ballots, and notice of the

Confirmation Hearing (the “Solicitation”) was timely, adequate and sufficient under the circumstances.

J. Notice. As is evidenced by the Voting Certification, the transmittal and service of the Plan, the Disclosure Statement, the Disclosure Statement Order and the Ballots were adequate and sufficient under the circumstances, and all parties required to be given notice of the Confirmation Hearing (including the deadline for filing and serving objections to confirmation of the Plan) have been given due, proper, timely, and adequate notice in accordance with the Disclosure Statement Order and in compliance with the Bankruptcy Code, the Bankruptcy Rules, the Local Rules, and applicable non-bankruptcy law and such parties have had an opportunity to appear and be heard with respect thereto. No other or further notice or re-solicitation is required.

K. Good Faith Solicitation. Based on the record before the Bankruptcy Court in these Chapter 11 Cases, the Debtors, the Consenting Lenders, the DIP Lenders, the Exit Lenders, the Oak Hill Entities, the Creditors’ Committee and their respective successors, predecessors, control persons, members, officers, directors, employees and agents and their respective attorneys, financial advisors, investment bankers, accountants, and other professionals retained by such persons (i) have acted in “good faith” within the meaning of section 1125(e) of the Bankruptcy Code in compliance with the applicable provisions of the Disclosure Statement Order, the Bankruptcy Code, Bankruptcy Rules, the Local Rules, and any applicable non-bankruptcy law, rule, or regulation governing the adequacy of disclosure in connection with all their respective activities relating to the solicitation of acceptances to the Plan and their participation in the activities described in section 1125 of the Bankruptcy Code and (ii) shall be deemed to have participated in good faith and in compliance with the applicable provisions of

the Bankruptcy Code in the offer and issuance of any securities under the Plan, and therefore are not, and on account of such offer, issuance, and solicitation will not be, liable at any time for the violation of any applicable law, rule or regulation governing the solicitation of acceptances or rejections of the Plan or the offer and issuance of the securities under the Plan, and are entitled to the protections afforded by section 1125(e) of the Bankruptcy Code and, to the extent such parties are listed therein, the exculpation provisions set forth in Section 31.8 of the Plan.

L. Voting. As evidenced by the Voting Certification, votes to accept or reject the Plan have been solicited and tabulated fairly, in good faith, and in a manner consistent with the Plan, the Disclosure Statement Order, the Bankruptcy Code, the Bankruptcy Rules, and the Local Rules and applicable non-bankruptcy law.

M. Plan Elections. As set forth in the Voting Certification, elections made by holders of Claims entitled to vote under the Plan have been solicited, tabulated and implemented fairly, in good faith, and in a manner consistent with the Plan, the Disclosure Statement Order, the Bankruptcy Code, the Bankruptcy Rules, and the Local Rules and applicable non-bankruptcy law.

N. Plan Supplement and Assumption Schedule. On February 19, 2013, the Debtors filed the Plan Supplement [Docket No. 573], as subsequently amended on February 26, 2013 [Docket No. 598], March 1, 2013 [Docket No. 615], and March 7, 2013 [Docket No. 631], which supplement includes the following documents: (i) the Reorganized Debtors By-Laws, (ii) the Reorganized Debtors Certificates of Incorporation, (iii) the Oak Hill Warrants, (iv) the Reorganized Southern Air Parent Stockholders Agreement, (v) the OHAA Funding Agreement, (vi) the Management Equity Plan, (vii) the Management Agreements, (viii) the Prepetition Lender Warrants, (ix) the Southern Management Warrants, (x) the Exit Credit Agreement, and

(xi) the Litigation Trust Agreement. On February 26, 2013, the Debtors filed that certain Schedule of Assumed and Assigned Executory Contracts and Unexpired Leases (the “Assumption Schedule”) [Docket No. 599]. The Assumption Schedule and all documents contained in the Plan Supplement comply with the terms of the Plan and the Plan Support Agreement, and the filing, notice, and service of such documents were done in accordance with the Disclosure Statement Order, the Bankruptcy Code, the Bankruptcy Rules, and the Local Rules, and no other or further notice is or shall be required.

Compliance with the Requirements of Section 1129 of the Bankruptcy Code

O. Plan Compliance with the Bankruptcy Code (11 U.S.C. § 1129(a)(1)).

The Plan complies with the applicable provisions of the Bankruptcy Code and, as required by Bankruptcy Rule 3016, the Plan is dated and identifies the Debtors as proponents, thereby satisfying section 1129(a)(1) of the Bankruptcy Code.

(a) Proper Classification (11 U.S.C. §§ 1122, 1123(a)(1)). With the exception of DIP Lender Claims, Oak Hill Entities’ Claims, Administrative Expense Claims and Priority Tax Claims, which need not be classified, Articles V through XIII of the Plan classify twenty-six (26) Classes of Claims and Equity Interests in the Debtors. The Claims and Equity Interests placed in each Class are substantially similar to the other Claims and Equity Interests, as the case may be, in each such Class. Valid business, factual, and legal reasons exist for separately classifying the various Classes of Claims and Equity Interests created under the Plan, and such Classes do not unfairly discriminate between holders of Claims and Equity Interests. Accordingly, the Plan satisfies sections 1122 and 1123(a)(1) of the Bankruptcy Code. *See* Murphy Declaration ¶ 23.

(b) Unimpaired Classes Specified (11 U.S.C. § 1123(a)(2)). Articles V, VII, and XIII of the Plan specify that Claims or Equity Interests in Class 1 (Priority Non-Tax Claims), Class 3 (Other Secured Claims), Class 10 (Cargo 360 Equity Interests), Class 11 (Southern Air Equity Interests), Class 12 (Air Mobility Equity Interests) (collectively, the “Unimpaired Classes”) are unimpaired under the Plan within the meaning of section 1124 of the Bankruptcy Code, thereby satisfying section 1123(a)(2) of the Bankruptcy Code. *See* Murphy Declaration ¶ 23.

(c) Specified Treatment of Impaired Classes (11 U.S.C. § 1123(a)(3)). Articles VI and VIII through XIII of the Plan designate Claims or Equity Interests in Class 2 (Prepetition Lender Claims), Class 4 (General Unsecured Claims), Class 5 (Convenience Claims), Class 6 (General Liability Insured Litigation Claims), Class 7 (Subordinated Claims), Class 8 (Preferred Equity Interests), Class 9 (Holdings Equity Interests), and Classes 13 through 26 (LLC Equity Interests) (collectively, the “Impaired Classes”) as impaired within the meaning of section 1124 of the Bankruptcy Code and clearly specify the treatment of the Claims and Equity Interests in those Classes, thereby satisfying section 1123(a)(3) of the Bankruptcy Code. *See* Murphy Declaration ¶ 23.

(d) No Discrimination (11 U.S.C. § 1123(a)(4)). The Plan provides for the same treatment for each Claim or Equity Interest in each respective Class unless the holder of a particular Claim or Equity Interest has agreed to a less favorable treatment for such Claim or Equity Interest, thereby satisfying section 1123(a)(4) of the Bankruptcy Code. *See* Murphy Declaration ¶ 23.

(e) Implementation of the Plan (11 U.S.C. § 1123(a)(5)). The Plan and the various documents and agreements set forth in the Plan Supplement provide adequate and proper

means for the implementation of the Plan, including, without limitation, (i) adoption and filing of the Reorganized Debtors Certificates of Incorporation and the Reorganized Debtors By-Laws, (ii) issuance of Reorganized Southern Air Parent Common Stock, Prepetition Lender Warrants, Southern Management Warrants, and Oak Hill Warrants, (iii) execution and delivery of the Exit Credit Agreement and the OHAA Funding Agreement, (iv) creation of the Litigation Trust and the transfer of certain property of the Debtors' estates thereto, (v) distribution and/or issuance, as the case may be, of Cash, Reorganized Southern Air Parent Common Stock, Prepetition Lender Warrants, Southern Management Warrants, Oak Hill Warrants, and the Litigation Trust Interests, and (vi) cure of defaults with respect to assumed executory contracts and unexpired leases. *See* Murphy Declaration ¶ 23. Accordingly, the Plan satisfies section 1123(a)(5) of the Bankruptcy Code.

(f) Prohibition of Issuance of Non-Voting Securities (11 U.S.C. § 1123(a)(6)). Section 29.1 of the Plan provides that, 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. The Reorganized Debtors Certificate of Incorporation and Reorganized Debtors By-Laws comply in all respects with section 1123(a)(6) of the Bankruptcy Code. *See* Murphy Declaration ¶ 23. Accordingly, the Plan satisfies section 1123(a)(6) of the Bankruptcy Code.

(g) Designation of Directors and Officers (11 U.S.C. § 1123(a)(7)). On March 11, 2013, the Debtors filed a notice [Docket No. 640] disclosing the identity and affiliations of the individuals proposed to serve as a director or officer of the Reorganized Southern Air Parent and related Reorganized Debtors after the Effective Date (the "Reorganized Debtors D&O Notice"). Section 28.1 of the Plan contains provisions with respect to the manner

of selection of directors of the Reorganized Debtors that are consistent with the interests of creditors, equity security holders, and public policy, thereby satisfying section 1123(a)(7) of the Bankruptcy Code. *See* Murphy Declaration ¶ 23.

(h) Impairment/Unimpairment of Classes of Claims and Equity Interests (11 U.S.C. § 1123(b)(1)). As permitted by section 1123(b)(1) of the Bankruptcy Code, pursuant to Articles VI, VIII through XIII, and XIX of the Plan, Claims or Equity Interests in the Impaired Classes, are impaired and, pursuant to Articles V, VII, XIII, and XIX of the Plan, Claims or Equity Interests in the Unimpaired Classes, are unimpaired.

(i) Assumption and Rejection (11 U.S.C. § 1123(b)(2)). As permitted by section 1123(b)(2) of the Bankruptcy Code, Article XXII of the Plan, the Assumption Schedule and any amendment thereto address the assumption and rejection of executory contracts and unexpired leases and meet the requirements of section 365(b) of the Bankruptcy Code. *See* Murphy Declaration ¶ 26. The time within which to object to any cure amount in connection with the Debtors' assumption of executory contracts and unexpired leases pursuant to the Plan shall expire on the later of (i) thirty (30) days after any amendment to the Assumption Schedule has been filed (if the objecting party's executory contract or unexpired lease is subject to such amendment) and (ii) thirty (30) days after the Effective Date.

(j) Settlement/Retention of Claim or Interests (11 U.S.C. § 1123(b)(3)). As permitted by section 1123(b)(3) of the Bankruptcy Code, Section 17.1 of the Plan provides that, from and after the Effective Date, except as otherwise expressly provided in the Plan, including, without limitation, Articles XVI and XXXI of the Plan, 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 and any other causes of action or 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.

(k) Sale of All or Substantially All Assets (11 U.S.C. § 1123(b)(4)). The Plan does not provide for the sale, transfer, or assignment of all or substantially all of the Debtors' property and, therefore, section 1123(b)(4) of the Bankruptcy Code is inapplicable in these Chapter 11 Cases.

(l) Modification of Rights (11 U.S.C. § 1123(b)(5)). As permitted by section 1123(b)(5) of the Bankruptcy Code, the Plan modifies the rights of holders of Claims in Classes 2 and 4 through 7 and Equity Interests in Classes 8, 9, and 13 through 26. The Plan leaves unaffected the rights of holders of Claims in Classes 1 and 3 and Equity Interests in Classes 10, 11, and 12.

(m) Additional Plan Provisions (11 U.S.C. § 1123(b)(6)). As permitted by section 1123(b)(6) of the Bankruptcy Code, the Plan includes other appropriate provisions not inconsistent with the applicable provisions of the Bankruptcy Code, including, without limitation, certain release, exculpation, and injunction provisions in Article XXXI of the Plan. Based upon the facts and circumstances of these Chapter 11 Cases, the release, exculpation, and injunction provisions in the Plan are fair, equitable, and reasonable, are supported by sufficient and valuable consideration, are an integral component of compromises and settlements underlying the Plan, are necessary for the Debtors' reorganization and the realization of value for stakeholders, are the product of extensive arm's length negotiations, were necessary to the

formation of the consensus embodied in the Plan Support Agreement, the Plan, and the Plan Supplement documents, are in the best interests of the Debtors, the Reorganized Debtors, and their estates, creditors, and equity holders, and are, in light of the foregoing, appropriate. *See* Murphy Declaration ¶ 32. Each of the Released Parties expended time, energy and expense to negotiate and effectuate the comprehensive restructuring reflected in the Plan Support Agreement and are entitled to the releases, exculpations, and injunctions provided in the Plan, as modified herein. *See* Murphy Declaration ¶ 33. The efforts of the members of Southern Management prior to and during these Chapter 11 Cases have been instrumental in building and maintaining support among the Debtors' key constituents for a reorganization that will preserve the value of the Debtors as a going concern for the benefit of all stakeholders, and have obviated a potentially litigious, lengthy, and costly restructuring process that could have materially delayed and possibly reduced distributions to all creditors. *See* Murphy Declaration ¶ 33. The members of Southern Management were, at the Debtors' expense, advised by separate counsel with respect to the management-related provisions of the Plan, including, without limitation, Article XXXI of the Plan, the Southern Management Agreements, the Southern Management Warrants, the Management Equity Plan, and the granting of releases in connection with the Plan. *See* Murphy Declaration ¶ 33. The failure to implement the release, exculpation, and injunction provisions would seriously impair the Debtors' ability to confirm and consummate the Plan, and would likely lead to liquidation of the Debtors' estates. *See* Murphy Declaration ¶¶ 33. In addition, the third party releases set forth in Section 31.6 of the Plan are fully consensual and the exculpation in Section 31.8 of the Plan is limited to a qualified immunity for acts of negligence and does not relieve any party of liability for gross negligence or willful misconduct. Further, there is neither pending litigation relating to a claim against the Released Parties or their Related

Persons nor threatened litigation or claim, and the Debtors are not aware of the existence of any such claim. Based upon these contributions, including the terms of the Management Agreements, Southern Management Warrants and Management Equity Plan, the Debtors, the Reorganized Debtors, and the members of Southern Management have determined, in the sound exercise of their business judgment, to grant, in their respective individual capacities, the releases to the other Released Parties and their Related Persons contained in, and to be bound by, the Plan.

(i) The Oak Hill Entities have contributed to the Chapter 11 Cases, increasing the recovery to be obtained by creditors and are indispensable to the Plan and success of Reorganized Southern Air, as follows: (A) amending the Oak Hill Leases pursuant to the Oak Hill Lease Amendments, (B) making aggregate payments to the Debtors and Reorganized Debtors in an aggregate amount of Twenty Million Dollars (\$20,000,000.00) through October 2017, of which, approximately Five Million Seven Hundred Fifty Thousand Dollars (\$5,750,000.00) has already been disbursed to the Debtors during the Chapter 11 Cases, (C) making a supplemental payment of Eight Hundred Seventy-Five Thousand Dollars (\$875,000.00), which amount shall be included in Creditor Cash and distributed to holders of Allowed General Unsecured Claims in accordance with the provisions of the Plan, (D) using commercially reasonable efforts to assist the Debtors and Reorganized Debtors in utilizing the Boeing Credit in an amount equal to One Million Nine Hundred Twenty-Five Thousand Dollars (\$1,925,000.00), (E) refraining from taking any worthless stock deductions with respect to the Debtors' Equity Interests, thereby preserving valuable tax attributes for the Reorganized Debtors, and (F) withdrawing proof of claim Nos. 219 and 226, which assert Two Million Three Hundred

Eighty-One Thousand Three Hundred Fifty-Six Dollars and Eighty-Six Cents (\$2,381,356.86) in claims against the Debtors.

(ii) The Prepetition Lenders, the Prepetition Agent, the DIP Lenders, the DIP Agent, the Exit Lenders, and the Exit Agent (collectively, the “Lender Parties”) have contributed to the Chapter 11 Cases, increasing the recovery to be obtained by creditors and are indispensable to the Plan and success of Reorganized Southern Air, as follows: (A) providing the Debtors with Twenty-Five Million Dollars (\$25,000,000.00) in postpetition financing and serving as the initial DIP Lenders at a time when the Debtors had no viable alternatives; (B) agreeing to “roll” their DIP Lender Claims into the Exit Term Loans in lieu of receiving cash on account of such Claims; (C) agreeing to accept reduced recoveries in the form of the Prepetition Lender Reorganized Southern Air Common Stock, Prepetition Lender Warrants and the Exit Term Loans; (D) agreeing to forego a portion of their recovery so that holders of Allowed General Unsecured Claims, excluding the Prepetition Lenders, have the ability to achieve a percentage of recovery in the same range as the projected percentage of recovery for the holders of the Prepetition Lender Claims; and (E) agreeing to provide Ten Million Dollars (\$10,000,000.00) of new-money financing, an additional Four Million Dollar (\$4,000,000.00) letter of credit facility, and the ability to utilize the funds in the asset sale proceeds escrow account (after the \$10 million in the Exit Revolver Credit Facility is fully drawn).

Accordingly, based upon the record of these Chapter 11 Cases, the representations of the parties, and/or the evidence proffered, adduced, and/or presented at the Confirmation Hearing, the Bankruptcy Court finds that the release, exculpation, and injunction provisions set forth in Article XXXI of the Plan are consistent with the Bankruptcy Code and applicable law and are appropriate under the circumstances.

(n) Sale of Exempt Property (11 U.S.C. § 1123(c)). The Debtors are not individuals. *See* Murphy Declaration ¶ 64. Accordingly, section 1123(c) of the Bankruptcy Code is inapplicable in these Chapter 11 Cases.

(o) Cure of Defaults (11 U.S.C. § 1123(d)). Section 22.3 of the Plan provides for the satisfaction of default claims associated with each executory contract and unexpired lease to be assumed pursuant to the Plan in accordance with section 365(b)(1) of the Bankruptcy Code. In the event of a dispute regarding (i) the amount of any cure payment, (ii) 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 (iii) 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 Assumption Schedule must be filed by the later of (a) thirty (30) days after any amendment to the Assumption Schedule has been filed (if the objecting party’s executory contract or unexpired lease is subject to such amendment) and (b) thirty (30) days after the Effective Date. Accordingly, the Plan complies with section 1123(d) of the Bankruptcy Code.

P. The Plan Proponents’ Compliance with the Bankruptcy Code (11 U.S.C. § 1129(a)(2)). Except as otherwise provided for or permitted by order of the Bankruptcy Court, the Debtors have complied with the applicable provisions of the Bankruptcy Code, the Bankruptcy Rules, the Local Rules, and the Disclosure Statement Order in transmitting the Plan, the Plan Supplement, the Disclosure Statement, the Disclosure Statement Order, the Ballots, and related documents and notices and in soliciting and tabulating the votes on the Plan. *See* Murphy

Declaration ¶ 41. Accordingly, the Plan satisfies the requirements of section 1129(a)(2) of the Bankruptcy Code.

Q. Plan Proposed in Good Faith (11 U.S.C. § 1129(a)(3)). The Debtors have proposed the Plan, including all documents necessary to effectuate the Plan, in good faith and not by any means forbidden by law, thereby satisfying the requirements of section 1129(a)(3) of the Bankruptcy Code. The Debtors' good faith is evident from the facts and record of these Chapter 11 Cases, the Disclosure Statement, and the record of the Confirmation Hearing and other proceedings held in these Chapter 11 Cases. The Plan was proposed with the legitimate and honest purpose of maximizing the value of the Debtors' estates and to maximize distributions to all creditors. The Plan, including all documents necessary to effectuate the Plan, was negotiated in good faith and at arm's length among the Debtors, the Consenting Lenders, the DIP Lenders, the Exit Lenders, the Oak Hill Entities, the Creditors' Committee, and their respective professionals. The Lender Parties, the Oak Hill Entities and the Creditors' Committee support confirmation of the Plan. Further, the Plan's classification, indemnification, exculpation, release, and injunction provisions have been negotiated in good faith and at arm's length, are consistent with sections 105, 1122, 1123(b)(3)(A), 1123(b)(6), 1129, and 1142 of the Bankruptcy Code, and are integral to the Plan and supported by valuable consideration. *See* Murphy Declaration ¶ 44.

R. Payment for Services or Costs and Expenses (11 U.S.C. § 1129(a)(4)). Any payment made or to be made by the Debtors or by a person issuing securities or acquiring property under the Plan, for services or for costs and expenses in or in connection with these Chapter 11 Cases, or in connection with the Plan and incident to these Chapter 11 Cases, has been approved by, or shall be subject to the approval of, the Bankruptcy Court as reasonable.

See Murphy Declaration ¶ 45. Accordingly, the Plan satisfies the requirements of section 1129(a)(4) of the Bankruptcy Code.

S. Directors, Officers, and Insiders (11 U.S.C. § 1129(a)(5)). The Debtors have complied with section 1129(a)(5) of the Bankruptcy Code. The identity and affiliations of the persons proposed to serve as the initial directors and officers of the Reorganized Debtors after confirmation of the Plan have been fully disclosed to the extent such information is available, and the appointment to, or continuance in, such offices of such persons is consistent with the interests of holders of Claims against and Equity Interests in the Debtors and with public policy. As set forth in the Reorganized Debtors D&O Notice, on the Effective Date, the new board of directors of the Reorganized Southern Air Parent shall be comprised of the following five (5) members: Daniel J. McHugh, Hank Halter, Jonathan G. Ornstein, Robert A. Peiser and Michael J. Warren. Additionally, the officers of the Reorganized Southern Air Parent shall be: Daniel J. McHugh (Chief Executive Officer); David R. Soaper (Chief Operating Officer); and Jon E. Olin (Chief Legal Officer). The Chief Financial Officer of the Reorganized Southern Air Parent will be identified after the Confirmation Date. Each such member will serve in accordance with the terms and subject to the conditions of the Reorganized Debtors Certificates of Incorporation, the Reorganized Debtors By-Laws, and other relevant organizational documents, each as applicable. The identity of any insider that will be employed or retained by the Reorganized Debtors and the nature of such insider's compensation have also been disclosed, to the extent necessary. Thus, the identity and affiliations of the persons proposed to serve as the initial directors and officers of the Reorganized Debtors have been fully disclosed, and the appointment to, or continuance in, such offices of such persons is consistent with the interests of holders of Claims against and Equity Interests in the Debtors and with public policy. *See*

Murphy Declaration ¶ 46. Accordingly, the Plan satisfies the requirements of section 1129(a)(5) of the Bankruptcy Code.

T. No Rate Changes (11 U.S.C. § 1129(a)(6)). The Plan does not provide for any rate changes over which a governmental regulatory commission has jurisdiction. *See* Murphy Declaration ¶ 47. Accordingly, section 1129(a)(6) of the Bankruptcy Code is not applicable in these Chapter 11 Cases.

U. Best Interest of Creditors (11 U.S.C. § 1129(a)(7)). The liquidation analysis provided in the Disclosure Statement and other evidence proffered or adduced at the Confirmation Hearing (i) is persuasive and credible, (ii) has not been controverted by other evidence, and (iii) establishes that each holder of a Claim or Equity Interest in an Impaired Class either has accepted the Plan or will receive or retain under the Plan, on account of such Claim or Equity Interest, property of a value, as of the Effective Date, that is not less than the amount that such holder would receive or retain if the Debtors were liquidated under chapter 7 of the Bankruptcy Code on such date. *See* Murphy Declaration ¶¶ 48–52. The liquidation analysis provided in the Disclosure Statement, including the methodology used and estimations and assumptions made therein, and the evidence related thereto that was proffered at the Confirmation Hearing, (a) is persuasive and credible as of the dates such evidence was prepared, presented, or proffered, (b) either has not been controverted by other persuasive evidence or has not been challenged, (c) is based upon reasonable and sound assumptions, and (d) provides a reasonable estimate of the liquidation value of the Debtors' estates upon a conversion to a chapter 7 proceeding. Recoveries pursuant to the Plan are equal to or in excess of those that would be available if the Debtors were liquidated pursuant to chapter 7 and, therefore, the Plan satisfies the requirements of section 1129(a)(7) of the Bankruptcy Code.

V. Acceptance by Certain Classes (11 U.S.C. § 1129(a)(8)). Claims or Equity Interests in Classes 1, 3, 10, 11, and 12 are unimpaired under the Plan. Holders of Claims in Classes 2, 4, and 5 voted to accept the Plan. *See* Paque Declaration ¶ 16, Ex. A. Because no claims were placed in Class 6, the Debtors did not solicit and no votes were cast on behalf of such Class. *See* Murphy Declaration ¶¶ 22, 53. With respect to the remaining Impaired Classes (*i.e.*, Classes 7, 8, 9, and 13 through 26), the Plan is confirmable because it satisfies the provisions of section 1129(b)(2) of the Bankruptcy Code. Accordingly, the Plan satisfies the requirements of section 1129(a)(8) of the Bankruptcy Code.

W. Treatment of Administrative Expense Claims, Priority Tax Claims, and Other Priority Claims (11 U.S.C. § 1129(a)(9)). The treatment of Allowed Administrative Expense Claims pursuant to Section 3.1 of the Plan satisfies the requirements of section 1129(a)(9)(A) of the Bankruptcy Code. The treatment of Allowed Priority Non-Tax Claims pursuant to Section 5.1 of the Plan satisfies the requirements of section 1129(a)(9)(B) of the Bankruptcy Code. The treatment of Allowed Priority Tax Claims pursuant to Section 3.2 of the Plan satisfies the requirements of section 1129(a)(9)(C) of the Bankruptcy Code. *See* Murphy Declaration ¶ 54.

X. Acceptance by Impaired Class (11 U.S.C. § 1129(a)(10)). Three (3) impaired Classes entitled to vote affirmatively accepted the Plan by the requisite majorities, determined without including any acceptance of the Plan by any insider, thereby satisfying the requirements of section 1129(a)(10) of the Bankruptcy Code. *See* Paque Declaration ¶ 16, Ex. A; Murphy Declaration ¶ 55.

Y. Feasibility (11 U.S.C. § 1129(a)(11)). The information in the Disclosure Statement, the Murphy Declaration, and the evidence proffered or adduced at the Confirmation

Hearing (i) is persuasive and credible, (ii) has not been controverted by other evidence, and (iii) establishes that the Plan is feasible and that there is a reasonable prospect of the Debtors being able to meet their financial obligations under the Plan and in the ordinary course of their businesses, and that confirmation of the Plan is not likely to be followed by the liquidation or need for further financial reorganization of the Debtors or the Reorganized Debtors, thereby satisfying the requirements of section 1129(a)(11) of the Bankruptcy Code. *See* Murphy Declaration ¶¶ 56–61.

Z. Payment of Fees (11 U.S.C. § 1129(a)(12)). Pursuant to Section 31.12 of the Plan, 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 (the “U.S. Trustee Fees”), shall be paid on the Effective Date or thereafter as and when they become due and owing. *See* Murphy Declaration ¶ 62. Accordingly, the Plan satisfies the requirements of section 1129(a)(12) of the Bankruptcy Code.

AA. Continuation of Retiree Benefits (11 U.S.C. § 1129(a)(13)). Section 31.13 of the Plan provides that, from and after the Effective Date, 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. *See* Murphy Declaration ¶ 63. Accordingly, the Plan satisfies the requirements of section 1129(a)(13) of the Bankruptcy Code.

BB. No Domestic Support Obligations (11 U.S.C. § 1129(a)(14)). The Debtors are not required by a judicial or administrative order, or by statute, to pay a domestic support obligation. *See* Murphy Declaration ¶ 64. Accordingly, section 1129(a)(14) of the Bankruptcy Code is inapplicable in these Chapter 11 Cases.

CC. Debtors Are Not Individuals (11 U.S.C. § 1129(a)(15)). The Debtors are not individuals. *See* Murphy Declaration ¶ 64. Accordingly, section 1129(a)(15) of the Bankruptcy Code is inapplicable in these Chapter 11 Cases.

DD. No Applicable Non-bankruptcy Law Regarding Transfers (11 U.S.C. § 1129(a)(16)). The Debtors are each a moneyed, business, or commercial corporation. *See* Murphy Declaration ¶ 64. Accordingly, section 1129(a)(16) of the Bankruptcy Code is inapplicable in these Chapter 11 Cases.

EE. No Unfair Discrimination; Fair and Equitable (11 U.S.C. § 1129(b)). No Impaired Class entitled to vote under the Plan voted to reject the Plan.⁴ The Impaired Classes that are deemed to have rejected the Plan are Class 7 (Subordinated Claims), Class 8 (Preferred Equity Interests), Class 9 (Holdings Equity Interests), and Classes 13 through 26 (LLC Equity Interests). Based upon the evidence proffered, adduced, and presented by the Debtors at the Confirmation Hearing, the Plan does not discriminate unfairly and is fair and equitable with respect to the aforementioned Classes, as required by sections 1129(b)(1) and (b)(2) of the Bankruptcy Code, because no holder of any interest that is junior to each such Class will receive or retain any property under the Plan on account of such junior interest, and no holder of a Claim

⁴ Class 6 contains no claims, and thus, no votes were cast on behalf of this class. *See* Murphy Declaration ¶¶ 22, 53.

in a Class senior to such Classes is receiving more than 100% recovery on account of its Claim. Thus, the Plan may be confirmed notwithstanding the deemed rejection of the Plan by these Classes. *See* Murphy Declaration ¶¶ 65–66.

FF. Only One Plan (11 U.S.C. § 1129(c)). The Plan is the only plan filed in each of these cases. Accordingly, section 1129(c) of the Bankruptcy Code is inapplicable in these Chapter 11 Cases.

GG. Principal Purpose of the Plan (11 U.S.C. § 1129(d)). The principal purpose of the Plan is not the avoidance of taxes or the avoidance of the application of section 5 of the Securities Act of 1933 and no governmental entity has objected to the confirmation of the Plan on any such grounds. *See* Murphy Declaration ¶ 67. Accordingly, the Plan satisfies the requirements of section 1129(d) of the Bankruptcy Code.

HH. Modifications of the Plan (11 U.S.C. § 1127). Modifications made to the Plan since the Solicitation, including the modifications contained in the Plan Modification and herein, have complied in all respects with section 1127 of the Bankruptcy Code and Bankruptcy Rule 3019.

II. Satisfaction of Confirmation Requirements. Based upon the foregoing, the Plan satisfies the requirements for confirmation set forth in section 1129 of the Bankruptcy Code.

JJ. Implementation. All documents necessary to implement the Plan, including, without limitation, the Exit Credit Agreement, the OHAA Funding Agreement, and each of the documents contained in the Plan Supplement, and all other relevant and necessary documents have been negotiated in good faith and at arm's length and shall, upon completion of

documentation and execution, be valid, binding, and enforceable agreements and shall not be in conflict with any federal or state law.

KK. Good Faith. The Debtors will be acting in good faith if they proceed to (i) consummate the Plan and the agreements, settlements, transactions, and transfers contemplated thereby and (ii) take the actions authorized and directed by this Order.

LL. Valuation. Pursuant to the valuation analysis set forth in the Disclosure Statement and the testimony included in the Murphy Declaration and adduced as part of the Confirmation Hearing, the distributable value of the Debtors is insufficient to support a distribution to Equity Interests under absolute priority principles.

MM. Litigation Trust. Entry into the Litigation Trust Agreement is in the best interests of the Debtors, the Debtors' estates, Creditors and holders of Equity Interests. The establishment of the Litigation Trust, the selection of Barry E. Mukamal to serve as the Litigation Trustee, and the form of the proposed Litigation Trust Agreement (as it may be modified or amended) is appropriate and in the best interests of the Debtors, their Creditors and holders of Equity Interests. The Litigation Trust Agreement shall, upon execution, be valid, binding, and enforceable in accordance with its terms.

NN. Preservation of Causes of Action. It is in the best interests of the Debtors, their Creditors and Equity Interest holders, that the claims and causes of action pursuant to section 547 of the Bankruptcy Code identified in Exhibit A to the Litigation Trust Agreement be transferred to and retained by the Litigation Trust and that all other claims and causes of action, including, without limitation, any avoidance or recovery actions under sections 541, 544, 545, 547, 548, 549, 550, 551 and 553 of the Bankruptcy Code and any other causes of action, rights to payments of claims that may be pending on the Effective Date to a Final Order, except as

otherwise expressly provided in the Plan or this Order, including, without limitation, Articles XVI and XXXI of the Plan shall be vested in the Reorganized Debtors, as successor to the rights of the estates of the Debtors, with 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.

OO. Pursuant to Section 3.3 of the Plan, the Debtors have elected to satisfy the Equity Payment 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.

ORDER

ACCORDINGLY, IT IS HEREBY ORDERED, ADJUDGED, DECREED, AND DETERMINED THAT:

1. Confirmation of the Plan. The Plan and each of its provisions, including the Plan Supplement, as modified pursuant to section 1127 of the Bankruptcy Code, shall be, and hereby are, CONFIRMED pursuant to section 1129 of the Bankruptcy Code. The documents contained in the Plan Supplement are authorized and approved. The terms of the Plan, including the Plan Supplement, are incorporated by reference into and are an integral part of this Order.

2. Compromise of Controversies. For the reasons stated herein, the Plan constitutes a good faith, arm's 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, and the entry of this Order constitutes approval of all such compromises and settlements.

3. Objections. All Objections, responses to, and statements and comments, if any, in opposition to or inconsistent with the Plan, other than those withdrawn with prejudice in their entirety prior to, or on the record at, the Confirmation Hearing, shall be, and hereby are, OVERRULED and DENIED in their entirety. All withdrawn objections are deemed withdrawn with prejudice.

4. Substantive Consolidation for Plan Purposes Only. Pursuant to Section 2.2 of the Plan, entry of this 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. 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. 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. The substantive consolidation effected pursuant to Section 2.2 of the Plan will not affect (other than for purposes related to funding distributions under the Plan) (a) the legal and organizational structure of the Debtors, (b) defenses to any causes of action or requirements for any third party to establish mutuality to assert a right of setoff, (c) distributions

out of any insurance policies or proceeds of such policies, or (d) the rights of any party under a contract listed on the Assumption Schedule or otherwise assumed or assumed as amended pursuant to Article XXII of the Plan. Notwithstanding the deemed substantive consolidation proposed in the Plan, pursuant to Section 31.12 of the Plan, and subject to the provisions of paragraph 48 hereof, 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.

5. Implementation of the Plan. The Debtors, the Reorganized Debtors, and the Litigation Trust, to the extent applicable and in accordance with the terms and conditions of the Plan, shall be authorized to (i) execute, deliver, file, and/or record such documents, contracts, instruments, releases, and other agreements, including, without limitation, those contained in the Plan Supplement, (ii) make any and all distributions and transfers contemplated pursuant to, and as provided for in, the Plan, (iii) take such other actions as may be necessary to effectuate, implement, and further evidence the terms and conditions of the Plan. On the Effective Date, the appropriate officers or representatives of the Debtors, the Reorganized Debtors and the Litigation Trust, as the case may be, and members of the boards of directors of the same (including, without limitation, the Litigation Trust Board), are authorized and empowered to issue, execute, file, and deliver and/or record such documents, contracts, instruments, releases, and other agreements contemplated by the Plan, including those contained in the Plan Supplement, to the extent applicable, and to make any and all distributions and transfers contemplated pursuant to, and as provided for in, the Plan in the name of and on behalf of the Debtors and their estates, the Reorganized Debtors, and the Litigation Trust, as applicable. The authorizations and powers provided to the Litigation Trust, Litigation Trustee and Litigation

Trust Board under this decretal paragraph 5 shall be subject in all respects to the powers granted to the Litigation Trust, Litigation Trustee and Litigation Trust Board pursuant to the Litigation Trust Agreement. Except as otherwise provided in the Plan, the record date for determining the holders of Allowed Claims entitled to receive distributions pursuant to the Plan shall be the last Business Day before the Effective Date.

6. OHAA Funding Agreement. Without limiting the generality of decretal paragraph 5 hereof, and without further action by the Bankruptcy Court or any other party, the Debtors, the Reorganized Debtors and the Oak Hill Entities are authorized and empowered pursuant to section 1142 of the Bankruptcy Code to (i) execute, deliver and consummate the OHAA Funding Agreement and any documents in connection with the OHAA Funding Agreements, including, without limitation, the escrow agreements described therein, (ii) perform and comply with all of the terms, conditions, and obligations of and under the OHAA Funding Agreement, (iii) take all other actions and execute, deliver, record, and file all other such agreements, documents, or modifications thereto in connection with the consummation of the transactions contemplated by the OHAA Funding Agreement and the performance thereof, (iv) grant valid, binding, enforceable and perfected security interests to the extent set forth in the escrow agreements described in the OHAA Funding Agreement, and (v) pay all fees, costs and expenses under the OHAA Funding Agreement. The payments pursuant to the OHAA Funding Agreement are being made, and shall be deemed to have been made by the Oak Hill Entities thereunder, in good faith, for legitimate business purposes, are reasonable, shall not be subject to recharacterization for any purposes whatsoever and shall not constitute preferential transfers or fraudulent conveyances under the Bankruptcy Code or any other applicable non-bankruptcy law. All funds and other assets placed into escrow accounts pursuant to the OHAA Funding

Agreement shall not constitute property of the Debtors or the Reorganized Debtors, except for the contingent interests created by the OHAA Funding Agreement and the escrow agreements described therein. In the event of any conflict or inconsistency between any provision in the Plan or this Order and any provision of the OHAA Funding Agreement, the provisions of the OHAA Funding Agreement shall govern. After the Effective Date, pursuant to Section 26.1 of the Plan, the Bankruptcy Court shall not retain jurisdiction over any matter arising under or related to the OHAA Funding Agreement, with jurisdiction over any such matters being determined in accordance with the respective provisions thereof.

7. Exit Facility. Confirmation of the Plan shall be deemed approval of the Exit Credit Facility and the Exit Facility Documents (as defined below), and all transactions contemplated thereby and all actions to be taken, undertaking to be made, and obligations to be incurred by the Reorganized Debtors in connection therewith, including the payment of all fees, indemnities, costs and expenses provided for therein. Without limiting the generality of decretal paragraph 5 hereof, and without further action by the Bankruptcy Court or any other party, the Debtors and the Reorganized Debtors are authorized and empowered pursuant to section 1142 of the Bankruptcy Code to (i) execute, deliver and consummate the Exit Credit Agreement and any documents in connection with the Exit Credit Facility, including, without limitation, that certain Commitment Letter, dated March 7, 2013 (the "Commitment Letter"), that certain Fee Letter, dated March 7, 2013 (the "Fee Letter"), and any guarantees and security documents (collectively, the "Exit Facility Documents"), (ii) perform and comply with all of the terms, conditions, and obligations of and under the Exit Credit Agreement and the Exit Facility Documents, (iii) take all other actions and execute, deliver, record, and file all other such agreements, documents, instruments, mortgages, deeds of trust, financing statements, releases, applications, registration

statements, reports and changes, additions, or modifications thereto in connection with the consummation of the transactions contemplated by the Exit Credit Agreement and the Exit Facility Documents and the performance thereof, including, without limitation, the making of such filings or the recording of any security interests, as may be required under such documents, (iv) grant valid, binding, enforceable and perfected security interests and Liens upon all of the collateral specified in the Exit Credit Agreement and the Exit Facility Documents in accordance with the terms thereof, and (v) pay all fees, indemnities, costs and expenses under the Exit Credit Agreement and Exit Facility Documents. Upon entry of this Order, the payment obligations of Cargo 360 pursuant to the Commitment Letter and the Fee Letter shall be entitled to priority as administrative expense claims against each of the Debtors on a joint and several basis under sections 503(b) and 507(a)(1) of the Bankruptcy Code and shall be satisfied in accordance with their terms. The financial accommodations to be extended pursuant to the Exit Credit Agreement and the Exit Facility Documents are being extended, and shall be deemed to have been extended by the lenders thereunder, in good faith, for legitimate business purposes, are reasonable, shall not be subject to recharacterization for any purposes whatsoever and shall not constitute preferential transfers or fraudulent conveyances under the Bankruptcy Code or any other applicable non-bankruptcy law. In the event of any conflict or inconsistency between any provision in the Plan or this Order and any provision of the Exit Credit Agreement, the provisions of the Exit Credit Agreement shall govern.

(a) On the Effective Date, all of the Liens on, and security interests in, the collateral granted pursuant to the Exit Facility Documents in accordance with the terms thereof (i) shall be deemed to be approved, (ii) shall be legal, binding and enforceable Liens on, and security interests in, the collateral granted thereunder in accordance with the terms of the Exit

Facility Documents, and (iii) shall be deemed perfected on the Effective Date, subject only to such Liens and security interests as may be permitted under the Exit Facility Documents. The Reorganized Debtors and the Persons and Entities granting such Liens and security interests are authorized to make all filings and recordings, and to obtain all governmental approvals and consents necessary to establish and perfect such Liens and security interests under the provision of the applicable state, provincial, federal, or other law (whether domestic or foreign) that would be applicable in the absence of the Plan and this Order (it being understood that perfection shall occur automatically by virtue of the entry of this Order and any such filings, recordings, approvals, and consents shall not be required, unless otherwise reasonably requested by the Exit Lenders). Each Prepetition Lender who receives its percentage of the Exit Term Loans pursuant to the Plan (and their respective successors and assigns) shall be deemed to be a party to all applicable Exit Facility Documents in accordance with their terms, whether it receives its percentage of the Exit Term Loans on or after the Effective Date, and regardless of whether it executes or delivers a signature page to the applicable Exit Facility Document.

(b) Any person or entity that has asserted mortgages, deeds of trust, Liens, security interests, financing statements, lis pendens or other documents or agreements evidencing claims on or interests in property of the Debtors, as may have been recorded or may otherwise exist, is authorized and directed to execute termination statements, instruments of satisfaction or discharge, or releases of all such claims or interests which such person or entity has with respect to property of the Debtors; if any such person or entity shall not have delivered to the Debtors or the Reorganized Debtors, in proper form for filing or recording and executed by the appropriate party(ies), such termination statements, instruments of satisfaction or discharge, or releases of all such claims or interests which such person or entity has with respect to the property of the

Debtors, then the Reorganized Debtors are hereby authorized and directed to execute and file or record any and all such statements, instruments, discharges, releases and other documents, and take any and all other actions as may be necessary on behalf of such person or entity asserting a claim or interests in the Debtors' property.

8. No Action. Pursuant to section 1142(b) of the Bankruptcy Code, no action of the respective directors or stockholders of the Debtors shall be required to authorize the Debtors to enter into, execute, deliver, file, adopt, amend, restate, consummate, or effectuate, as the case may be, the Plan and any contract, instrument, or other document to be executed, delivered, adopted, or amended in connection with the implementation of the Plan, including without limitation, any contract, instrument, or other document included in the Plan Supplement. To the extent that, under applicable non-bankruptcy law, any of the foregoing actions (including, for the avoidance of doubt, the execution, delivery and performance of the Exit Facility Documents and the OHAA Funding Agreement) would otherwise require the consent or approval of the stockholders or directors of any of the Debtors or the Reorganized Debtors, this Order shall, pursuant to sections 1123(a)(5) and 1142 of the Bankruptcy Code, constitute the consent or approval, and such actions are deemed to have been taken by unanimous action of the directors, members, and stockholders of the appropriate Debtors or Reorganized Debtors.

9. Binding Effect. From and after entry of this Order, and subject to the occurrence of the Effective Date, except to the extent otherwise provided in the Plan or this Order, the provisions of the Plan, as applicable, shall be binding on the Debtors, the Reorganized Debtors, the Litigation Trust, the Litigation Trustee, Southern Management, all holders of Claims and Equity Interests of the Debtors (irrespective of whether such Claims or Equity Interests are impaired under the Plan or whether the holders of such Claims or Equity Interests

accepted, rejected or are deemed to have accepted or rejected the Plan), any and all non-Debtor parties to executory contracts and unexpired leases with any of the Debtors, any other party in interest in these Chapter 11 Cases, and the respective heirs, executors, administrators, successors, or assigns, if any, of any of the foregoing.

10. Free and Clear. Except as otherwise provided in the Plan, this Order, the Exit Credit Agreement or in the Exit Facility Documents, from and after the Effective Date, (i) the Litigation Trust Assets shall be transferred to the Litigation Trust, free and clear of all Claims, Liens, encumbrances, charges, and other interests of creditors and equity interest holders of the Debtors and (ii) the Reorganized Debtors shall be vested with all property of the Debtors' estates not otherwise transferred pursuant to the terms of the Plan, free and clear of all Claims, Liens, encumbrances, charges and other interests of Creditors and Equity Interest holders of the Debtors. Each of the transfers of property of the Debtors, their estates, the Reorganized Debtors, or the Litigation Trust, as the case may be, pursuant to the Plan (a) are or shall be deemed to be legal, valid, and effective transfers of property, (b) shall not constitute, or be construed to be, avoidable transfers pursuant to the Bankruptcy Code or applicable non-bankruptcy law, and (c) shall not subject the Debtors, the Reorganized Debtors, the Litigation Trust, or the Litigation Trustee, as the case may be, to any liability by reason of such transfer pursuant to the Bankruptcy Code or applicable non-bankruptcy law, including, without limitation, any law affecting successor or transferee liability. From and after the Effective Date, the Reorganized Debtors may operate their businesses and use, acquire, or dispose of assets free of any restrictions imposed by the Bankruptcy Code, the Bankruptcy Court, or the U.S. Trustee (except for quarterly operating reports and fees associated therewith).

11. Cancellation of Liens. Upon the occurrence of the Effective Date, any Lien securing any Secured Claim that is satisfied in full and discharged under the Plan 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; provided, however, that, notwithstanding the foregoing or occurrence of the Effective Date, a loan facility or other agreement that governs the rights of the holder of a Claim shall be deemed to continue in effect solely for the purpose of (i) allowing that holder to receive distributions under the Plan on account of its Claims and (ii) allowing and preserving the rights of the DIP Agent and/or the Prepetition Agent to (a) make distributions in satisfaction of Allowed DIP Lender Claims and Allowed Prepetition Lender Claims, respectively and (b) to the extent permitted by applicable law, seek compensation and reimbursement for any fees, indemnities and expenses incurred in making such distributions.

12. Cancellation of Existing Securities and Agreements. Except as otherwise provided in the Plan, any document, agreement, or instrument evidencing any Claim or Equity Interest shall be deemed automatically cancelled and of no force and effect on the Effective Date without further act or action under any applicable agreement, law, regulation, order, or rule and any and all obligations or liabilities of the Debtors under such documents, agreements, or instruments evidencing such Claims and Equity Interests shall be discharged; provided, however, that the foregoing cancellation of securities, documents, agreements or instruments shall not apply to (i) the certificates and all other documents representing Cargo 360 Equity Interests,

Southern Air Equity Interests, and Air Mobility Equity Interests, and (ii) any security, document, agreement or instrument related to a Disputed Claim until a Final Order resolving any such Disputed Claim is entered; and, provided, further, that, except as provided in the Plan, during the pendency of any such dispute, the Debtors shall not accrue or incur any additional liability or obligation with respect thereto.

13. Issuance of Reorganized Southern Air Parent Common Stock, Prepetition Lender Warrants, Southern Management Warrants, and Oak Hill Warrants. The Reorganized Southern Air Parent shall be Reorganized Holdings. On the Effective Date, Reorganized Southern Air Parent shall (i) issue Reorganized Southern Air Parent Common Stock, Southern Management Warrants, Oak Hill Warrants and Prepetition Lender Warrants, (ii) distribute Reorganized Southern Air Common Stock and Prepetition Lender Warrants to the holders of Allowed Prepetition Lender Claims, the DIP Lenders, or their respective U.S. LLC Designee, as the case may be, in accordance with Sections 3.3(a) and 6.1 of the Plan; provided, however, that, 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) of the Plan, (iii) distribute shares of Reorganized Southern Air Parent Common Stock to Southern Management pursuant to Section 28.2 of the Plan, and (iv) 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 of the Plan. 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) of the Plan. Upon the Effective Date, the Reorganized Southern Air Parent Stockholders Agreement, and the Reorganized Southern Air Parent Common Stock, Southern Management Warrants, Oak Hill Warrants and Prepetition Lender Warrants issued by the Debtors and/or Reorganized Holdings shall each be legal, valid, and binding obligations and be enforceable against Reorganized Southern Air Parent in accordance with their terms, in each case without further notice to or order of the Bankruptcy Court, or any act or action under applicable law, or the vote, consent, authorization or approval of any Person or Entity. Each Person or Entity that initially receives shares of Oak Hill Reorganized Common Stock and Prepetition Lender Reorganized Southern Air Parent Common Stock pursuant to the Plan shall automatically be deemed a party to the Reorganized Southern Air Parent Stockholders Agreement, in accordance with its terms, whether it receives shares on or after the Effective Date and regardless of whether it executes a signature page to the Reorganized Southern Air Parent Stockholders Agreement.

14. Exemption from Securities Law. The issuance and distribution to any creditor (or its designee), as described in the Plan (including the distribution described above by Cargo LLC or Reorganized Cargo 360), of the Reorganized Southern Air Parent Common Stock and any other securities to be issued and distributed pursuant to the Plan, on account of, and in exchange for, Claims (including, without limitation, Administrative Expense Claims) against the Debtors, and the issuance of shares of Reorganized Southern Air Parent Common Stock upon exercise of the Prepetition Lender Warrants and Oak Hill Warrants in accordance with their terms, comply with the requirements of section 1145 of the Bankruptcy Code, and accordingly shall be exempt from registration pursuant to section 5 of the Securities Act of 1933, any other

federal, state or local laws requiring registration for offer or sale of securities, and any other applicable non-bankruptcy law or regulation, to the fullest extent provided for in section 1145 of the Bankruptcy Code. In addition, shares of Reorganized Southern Air Parent Common Stock, Prepetition Lender Warrants and Oak Hill Warrants received under the Plan and shares of Reorganized Southern Air Parent Common Stock received upon exercise of the Prepetition Lender Warrants and Oak Hill Warrants may be resold by persons other than “underwriters,” within the meaning of section 1145 of the Bankruptcy Code, without registration, or the availability of an exemption from such registration, under the Securities Act or any other federal, state, or local laws requiring registration for offer or sale of securities.

15. Compliance with Section 1123(a)(6) of the Bankruptcy Code. The Reorganized Debtors Certificates of Incorporation and the Reorganized Debtors By-Laws (together, the “Organizational Documents”), and the terms governing the issuance of the stock of the Reorganized Debtors, comply in all respects with section 1123(a)(6) of the Bankruptcy Code, and are hereby approved; except that section 1123(a)(6) of the Bankruptcy Code and this Order shall not limit the ability of the Reorganized Debtors to amend a certificate of incorporation in accordance with applicable non-bankruptcy law. The adoption and filing of the Reorganized Debtors Certificates of Incorporation and the Reorganized Debtors By-Laws are hereby authorized, ratified, and approved. The Debtors have complied in all respects, to the extent necessary, with section 1123(a)(6) of the Bankruptcy Code.

16. Boards of Directors of Reorganized Debtors. As of the Effective Date, the board of directors of each of the Debtors, as constituted immediately prior to the Effective Date, are hereby removed and Daniel J. McHugh, Hank Halter, Jonathan G. Ornstein, Robert A. Peiser and Michael J. Warren are hereby appointed as directors of the Reorganized Debtors, to serve

until their resignation or removal pursuant to the terms and provisions of the Organizational Documents.

17. Assumption or Rejection of Contracts and Leases. Pursuant to Section 22.1 of the Plan, 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 Assumption Schedule 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 or Reorganized Holdings, as applicable, as of the Effective Date. Entry of this 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 Assumption Schedule 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 Assumption Schedule to the parties to the executory contracts and unexpired leases.

18. Payment of Cure Amounts. The Assumption Schedule shall designate the cure amount owing with respect to each such executory contract and unexpired lease to be assumed pursuant to Section 22.1 of the Plan. Except as otherwise provided in the Plan 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.

19. Objection to Cure Amounts; Rejection Damage Claims. In the event of a dispute regarding (i) the amount of any cure payment, (ii) 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 (iii) 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 Assumption Schedule must be filed by the later of (a) thirty (30) days after any amendment to the Assumption Schedule has been filed (if the objecting party’s executory contract or unexpired lease is subject to such amendment) and (b) 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 Section 22.3 of the Plan, 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. If the rejection of an executory contract or unexpired lease by the Debtors under the Plan 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 (x) the Confirmation Date and (y) notice of an amendment to the Assumption Schedule (if the filing party's executory contract or unexpired lease is subject to such amendment); provided, however, that, on the Effective Date and in consideration for the terms and conditions of the Southern Management Agreements, the members of Southern Management shall be deemed to have waived any and all claims they may have for the rejection of their respective prepetition employment contracts and any other agreements related thereto.

20. The Oak Hill Leases and Oak Hill Lease Amendments. On the Effective Date, and in accordance with this 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 of the Plan. 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 under the Plan or under the Oak Hill 1110 Stipulation or the OHAA Funding Agreement, respectively. 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. This Order shall constitute an order of the Bankruptcy Court under sections 365 and 1123(b) of the

Bankruptcy Code approving the assumption of the Oak Hill Leases (as amended), as of the Effective Date; provided, however, that, after the Effective Date, pursuant to Section 26.1 of the Plan, the Bankruptcy Court shall not retain jurisdiction over any matter arising under or related to the Oak Hill Leases, with jurisdiction over any such matters being determined in accordance with the respective provisions thereof.

21. Aircastle Postpetition Lease. On the Effective Date, the obligations of the Debtors pursuant to that certain lease agreement between Wells Fargo Bank Northwest, National Association, not in its individual capacity, but solely as owner trustee, as lessor, and Southern Air, as lessee, with respect to the Boeing 747-400BDSF aircraft bearing manufacturer's serial number 27608 (the "Aircastle Postpetition Lease"), as approved pursuant to the *Order, Pursuant to Sections 105 and 363 of the Bankruptcy Code and Bankruptcy Rule 9019, Authorizing (A) the Execution and Delivery of the (1) Aircastle Agreement and (2) Postpetition Aircastle Lease in Accordance with the Terms Thereof and (B) Performance with Respect Thereto*, dated December 28, 2012 [Docket No 431], shall remain binding on Reorganized Southern Air including, without limitation, the guarantee of Reorganized Holdings.

22. Litigation Trust. 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; provided, however, that such rights, powers and privileges shall not be greater than those set forth in the Litigation Trust Agreement; and, provided, further, that, notwithstanding anything to the contrary in this Order, the Litigation Trust and the Litigation Trustee shall not have the right, power or authority to investigate, prosecute or commence any claim or cause of action directly or indirectly against a Released Party or their Related Persons. 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 Litigation Trustee, the Reorganized Debtors, the Prepetition Agent and the Oak Hill Entities. To the extent that the terms of the Plan are inconsistent with the terms set forth in the Litigation Trust Agreement with respect to the Litigation Trust, then the terms of the Litigation Trust Agreement shall govern; provided, however, that the release, injunction, and exculpation provisions contained in Article XXXI of the Plan shall be controlling notwithstanding any other provision of the Litigation Trust Agreement. 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. Pursuant to the Litigation Trust Agreement, upon the Effective Date, and without further action by the Bankruptcy Court or any other party, Barry E. Mukamal shall be appointed as "Litigation Trustee" of the Litigation Trust and CSC Trust Company of

Delaware shall be appointed as “Delaware Trustee” of the Litigation Trust. The Litigation Trustee is appointed as trustee pursuant to Bankruptcy Code § 1123(a)(7) and, solely with respect to the Litigation Trust Assets, shall have all rights, powers and privileges as if such Litigation Trustee had been appointed trustee in the Chapter 11 Cases.

23. 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, this 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).

24. Prosecution of Claims. From and after the Effective Date, except as otherwise expressly provided in the Plan, including, without limitation, Articles XVI and XXXI of the Plan, 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 and any other causes of action or 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. From and after the Effective Date, the Litigation Trustee, subject to the terms of this Order, the Plan, and the Litigation Trust Agreement, shall have the sole and exclusive right to litigate (or abandon), and the Litigation Trust shall be vested with, all claims and causes of action pursuant to section 547 of the Bankruptcy Code comprising the Litigation Trust Assets, and may compromise and settle such claims, without further approval of the Bankruptcy Court. For the avoidance of doubt, the Reorganized Debtors shall have no right to litigate or compromise and settle claims and causes of action comprising the Litigation Trust Assets.

25. Disbursing Agent. Pursuant to Section 1.58 of the Plan, the Disbursing Agent shall be (i) the Reorganized Debtors, or the Reorganized Debtors' designee, with respect

to distributions to holders of Allowed Administrative Expense Claims, Allowed Priority Tax Claims, the DIP Lender Claims, the Oak Hill Entities' Claims, Allowed Priority Non-Tax Claims, Allowed Prepetition Lender Claims, and Allowed Other Secured Claims, and (ii) the Litigation Trustee, or the Litigation Trustee's designee, with respect to distributions to holders of Litigation Trust Interests (including holders of Allowed General Unsecured Claims and, to the extent applicable, holders of Allowed Prepetition Lender Claims) and Allowed Convenience Claims. In its role as Disbursing Agent, the Reorganized Debtors, the Litigation Trustee, or their designees, as the case may be, shall hold any Cash, Creditor Cash, term loans in connection with the Exit Term Loans, Reorganized Southern Air Parent Common Stock, Prepetition Lender Warrants, Oak Hill Warrants, Southern Management Warrants, and Litigation Trust Interests as agent only, and shall not have any ownership interest in such cash, stock, or interests.

26. Distributions by the Disbursing Agent.

(a) All distributions in connection with the Exit Term Loans, Reorganized Southern Air Parent Common Stock, Prepetition Lender Warrants, and Cash, as applicable, to the Prepetition Lenders (or their respective U.S. LLC Designee) pursuant to Section 6.1 of the Plan or, the DIP Lenders (or their respective U.S. LLC Designee) pursuant to Section 3.3(a) of the Plan, as the case may be, shall be made on the Effective Date by, or at the direction of, the applicable Disbursing Agent on behalf of Reorganized Cargo 360 or Cargo LLC, as the case may be;

(b) 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 of the Plan shall be made on the Effective Date by, or at the direction of, the applicable Disbursing Agent on behalf of Reorganized Southern Air Parent;

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

(d) 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.

27. Distribution of Litigation Trust Assets/Litigation Trust Claims Reserve.⁵

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, 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 (as defined below) 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) Litigation Trust Administrative Reserves. The Litigation Trust Administrative Reserve shall include Cash that is allocated and retained by the Litigation Trust, which, for the avoidance of doubt, may only be supplemented from the Litigation Trust Assets, from time to time in an amount necessary to satisfy reasonable costs and expenses of the Litigation Trust and other obligations and liabilities incurred, assumed or reasonably anticipated by the Litigation Trust (or to which the Litigation Trust Assets are otherwise subject) in accordance with the Plan Documents, including without limitation (i) fees and costs incurred in

⁵ For the purposes of this Paragraph 27 only, capitalized terms used but not otherwise defined shall have the meanings ascribed to them in the Litigation Trust Agreement.

connection with the protection, preservation, liquidation and distribution of the Litigation Trust Assets; (ii) the fees and costs incurred in connection with investigating, prosecuting and resolving the Assigned Claims and Avoidance Actions; (iii) fees payable under 28 U.S.C. § 1930 in connection with keeping the Bankruptcy Cases open from and after the Effective Date; provided, however, that to the extent any disbursements of the Reorganized Debtors are included in the monthly operating reports of the Debtors from and after the Effective Date, the Litigation Trust shall not be responsible for the fees payable under 28 U.S.C. § 1930 in respect of such disbursements; (iv) such other fees and expenses incurred by the Debtors, the Reorganized Debtors or the Litigation Trustee Parties in connection with maintaining the Bankruptcy Cases from and after the Effective Date, it being understood that such fees and expenses shall not include any professional fees (including legal) other than those solely related to maintaining the Bankruptcy Cases from and after the Effective Date; (v) fees and expenses incurred by the Litigation Trust in connection with any information it requests from the Debtors' claims agent; (vi) fees and expenses (including, without limitation, any Taxes imposed on the Litigation Trust or in respect of the Litigation Trust Assets and fees of the United States Trustee) of the Litigation Trustee Parties, the non-member Litigation Trust Board Parties, the Disbursing Agent, and the Delaware Trustee; and (vii) the expenses incurred by the Litigation Trust Board, all of which ((i)-(vii)) for the avoidance of doubt shall be solely the responsibility of and payable by the Litigation Trust; provided, however, that with respect to clause (iv) above, the Debtors, the Reorganized Debtors and the Litigation Trustee shall confer with respect to any such fees and shall work in good faith to resolve any disputes over whether such fees or expenses were incurred in connection with the Litigation Trust, failing which, the parties shall seek resolution with the Bankruptcy Court.

(b) 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.

(c) 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 Disputed Claims Reserve relating to such Claim).

28. Delivery of Distributions. Subject to the provisions of Bankruptcy Rule 9010, 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.

29. 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 Leases, 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 under the Plan 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 in the Plan 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.

30. Subordination. Except as otherwise expressly provided in the Plan, this Order or a separate order of this Court, the classification and manner of satisfying all Claims and

Equity Interests under the Plan takes into consideration all subordination rights, whether arising by contract or under general principles of equitable subordination, section 510 of the Bankruptcy Code, or otherwise. All subordination rights that a holder of a Claim or Equity Interest may have with respect to any distribution to be made under the Plan shall be discharged and terminated and all actions related to the enforcement of such subordination rights shall be enjoined permanently. Accordingly, the distributions under the Plan to the holders of Allowed Claims will not be subject to payment of a beneficiary of such subordination rights, or to levy, garnishment, attachment or other legal process by a beneficiary of such terminated subordination rights.

31. No Amendments to Proofs of Claim. Except as otherwise set forth in Section 22.5 of the Plan or in the Bankruptcy Court's order, dated October 24, 2012, [Docket No. 214], after the Confirmation Date, a proof of claim may not be (i) filed or (ii) amended (unless amended downward) without the authority of the Bankruptcy Court.

32. Administrative Claim Bar Date. The last day to file proof of Administrative Expense Claims shall be thirty (30) days from the Effective Date, after which date, any proof of Administrative Expense Claim not filed with the Bankruptcy Court shall be deemed forever barred and the Debtors and the Reorganized Debtors shall have no obligation with respect thereto; provided, however, that no proof of Administrative Expense Claim shall be required to be filed if such Administrative Expense Claim (i) shall have been incurred in accordance with an order of the Bankruptcy Court or with the consent of the Debtors or in the ordinary course of the Debtors' operations, (ii) arises from the Debtors' or Reorganized Debtors' indemnity and reimbursement obligations assumed pursuant to Section 22.6 of the Plan or (iii) relates to the liability described in section 503(b)(1)(D) of the Bankruptcy Code; and, provided, further, that, notwithstanding the foregoing, the professionals for the Debtors and the

Creditors' Committee shall have until ninety (90) days following the Effective Date to submit Final Fee Applications (as defined below); and, provided, further, that the payment of an Administrative Expense Claim is without prejudice to (a) a party's right to claim an entitlement to interest accrued thereon and (b) the Reorganized Debtors' right to contest the entitlement thereto.

33. Professional Compensation. Except as provided in Section 31.12 of the Plan, all entities seeking awards by the Bankruptcy Court of compensation for services rendered or reimbursement of expenses incurred through and including the Effective Date under sections 330, 331, 503(b)(2), 503(b)(3), 503(b)(4) or 503(b)(5) of the Bankruptcy Code shall (a) file, on or before the date that is ninety (90) days after the Effective Date, their respective applications for final allowances of compensation for services rendered and reimbursement of expenses incurred (a "Final Fee Application") in accordance with the requirements set forth in the Bankruptcy Court orders, dated October 24, 2012, [Docket No. 199] and December 12, 2012, [Docket No. 371], and (b) be paid in full, in Cash, in such amounts as are allowed by the Bankruptcy Court in accordance with the order relating to or allowing any such Administrative Expense Claim. Notice of a hearing on the Final Fee Applications (the "Final Fee Hearing") shall be provided in accordance with the Bankruptcy Rules and Local Rules. The Reorganized Debtors are authorized to pay compensation for professional services rendered and reimbursement of expenses incurred after the Confirmation Date in the ordinary course and without the need for Bankruptcy Court approval.

34. Objections to Final Fee Applications. All objections to any Final Fee Application shall be filed with the Bankruptcy Court, together with proof of service thereof, and

served upon the applicant and the Notice Parties, so as to be received not later than 4:00 p.m., Eastern Time, on the date that is five (5) Business Days prior to the Final Fee Hearing.

35. Post-Effective Date Administrative Expenses. Administrative expenses incurred by the Debtors or the Reorganized Debtors after the Effective Date, including Claims for professionals' fees and expenses, shall not be subject to an application and may be paid by the Debtors or the Reorganized Debtors, as the case may be, in the ordinary course of business and without further Bankruptcy Court approval.

36. Payment of Fees and Expenses of the Prepetition Agent and the DIP Agent. Following submission to the Debtors or the Reorganized Debtors, as applicable, of invoices for reasonable and documented fees and expenses incurred and relating to the period prior to the Effective Date or incurred in connection with distributions to be made pursuant to the Plan and this Order, whether before or after the Effective Date by (i) Milbank, Tweed, Hadley & McCloy LLP, as counsel, (ii) Richards Layton & Finger, PA, as Delaware counsel, (iii) FTI Consulting ("FTI"), as financial advisor, and (iv) such other counsel and advisors retained by CIBC in accordance with the terms of the Prepetition Credit Agreement, the DIP Credit Agreement, and the Final DIP Order, the Debtors or the Reorganized Debtors, as applicable, shall review these submissions and, subject to any objections that may arise, pay such fees and expenses within five (5) Business Days as soon thereafter as reasonably practicable. All amounts distributed and paid to the foregoing parties pursuant to the Plan and the Final DIP Order shall not be subject to setoff, recoupment, reduction nor allocation of any kind.

37. Discharge. As of the Effective Date, the confirmation of the Plan shall effectuate the following:

(a) Except as expressly provided in the Plan or this 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 this 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 this Order, this 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.

38. **Releases by the Debtors. Except as otherwise expressly provided in the Plan, the Interim DIP Order, the Final DIP Order or this 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 in the Plan, or any negotiations regarding or concerning such compromises or settlements.

39. **Reciprocal Releases Among Released Parties.** Except as otherwise expressly provided in the Plan or this 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 in the Plan, or any negotiations regarding or concerning such compromises and settlements.

40. Voluntary Releases by Holders of Claims. Except as otherwise expressly provided in the Plan or this 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 Section 31.6 of the Plan 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 in the Plan or any negotiations regarding or concerning such compromises or settlements.

(a) United States Government:

(1) Notwithstanding anything contained in the Plan or this 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 this 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 this 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 this 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 this 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.

41. **Injunctions and Stays.**

(a) **Injunction on Claims: Except as otherwise expressly provided in the Plan, this 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 of the Plan, 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 Article XXXI of the Plan, 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.

(b) Injunction Related to Releases: Except as provided in the Plan or this 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 of the Plan; 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 this 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.

42. 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 set forth in Section 31.8 of the Plan 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

43. **Supplemental Injunction:** Except as otherwise provided in the Plan or this Order, 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 this 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 this 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.

44. Release and Exculpation Provisions. All release, exculpation, and injunction provisions, including, without limitation, those contained in Article XXXI of the Plan, are approved and shall be effective and binding on all Entities, to the extent provided herein.

45. Indemnification Obligations. For purposes of the Plan, (i) 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 (ii) 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 such Claim is either (a) agreed upon with the Reorganized Debtors, or (b) authorized by a Final Order, upon notice and a hearing; provided, however, that a director or officer seeking indemnification or reimbursement pursuant to Section 22.6 of the Plan shall not be required to file a proof of Administrative Expense Claim prior to the applicable bar date for Administrative Expense Claims.

46. 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.

47. 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.

48. Payment of Statutory Fees. All U.S. Trustee Fees shall be paid on the Effective Date or thereafter as and when they become due and owing; provided, however, that, except as expressly provided in the Litigation Trust Agreement or this Order, the Debtors or the Reorganized Debtors, as the case may be, shall not be responsible for the payment of U.S. Trustee Fees incurred from and after April 1, 2013, and such fees shall be the obligation of the Litigation Trust. From and after the Effective Date, the Reorganized Debtors shall file postconfirmation 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 of the Plan.

49. Closing of Certain Debtors' Cases. The chapter 11 cases of (i) Southern Air Holdings, Inc., (ii) Cargo 360, Inc., (iii) Air Mobility Inc., (iv) 21110 LLC, (v) 21111 LLC, (vi) 21221 LLC, (vii) 21550 LLC, (viii) 21576 LLC, (ix) 21590 LLC, (x) 21787 LLC, (xi) 21832

LLC, (xii) 23138 LLC, (xiii) 24067 LLC, (xiv) 46914 LLC, (xv) Aircraft 21255, LLC, (xvi) Aircraft 21380, LLC, and (xvii) CF6-50, LLC (collectively, the “Closing Debtors”) are hereby closed; provided, however, that the Bankruptcy Court shall retain jurisdiction with respect to such cases in accordance with Article XXVI of the Plan; and, provided, further, that entry of this Order is without prejudice to the rights of any of the Closing Debtors to seek to reopen its chapter 11 case for cause.

50. Compliance with Tax Requirements. Any party issuing any instruments or making any distribution under the Plan shall comply with all applicable withholding and reporting requirements imposed by any United States federal, state or local taxing authority, and all distributions under the Plan shall be subject to any withholding or reporting requirements. Notwithstanding the above, each holder of an Allowed Claim that is to receive a distribution under the Plan shall have the sole and exclusive responsibility for the satisfaction and payment of any tax obligations imposed by any governmental unit, including income, withholding and other tax obligations, on account of such distribution. Any party issuing any instruments or making any distribution under the Plan shall have the right, but not the obligation, not to make a distribution until such holder has made arrangements satisfactory to such issuing or distributing party for payment of any such tax obligations.

51. 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. This Order shall constitute

the Bankruptcy Court's direction that the appropriate federal, state and/or local governmental officials or agents shall forgo the collection of any such tax or governmental assessment and shall accept for filing and recordation any of the foregoing instruments or other documents without the payment of any such tax or governmental assessment.

52. 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).

53. Additional Modifications to the Plan. The Plan shall be modified as follows:

(a) Section 1.132, entitled "***Released Parties,***" shall be modified to insert the words "the Exit Lenders, the Exit Agent," following the words "the Oak Hill Entities."

(b) Sections 1.137 and 1.138 of the Plan, entitled "***Reorganized Debtors Plan Administrator***" and "***Reorganized Debtors Plan Administration Agreement,***" respectively, shall be deleted in their entirety and shall be replaced with the following: "[Intentionally Omitted]."

(c) Article XXIV of the Plan, entitled “*The Reorganized Debtors Plan Administrator*,” shall be deleted in its entirety and shall be replaced with the following:

“[Intentionally Omitted].”

(d) Section 31.9 of the Plan, entitled “*Deemed Consent*,” shall be deleted in its entirety and shall be replaced with the following: “[Intentionally Omitted].”

54. Immaterial Modifications. Without need for further order or authorization of the Bankruptcy Court, but subject to any limitations set forth in the Plan, the Debtors or the Reorganized Debtors are authorized and empowered to make any and all modifications to the Plan, any and all documents included as part of the Plan Supplement, and any other document that is necessary to effectuate the Plan that does not materially modify the terms of such documents and are consistent with the Plan and this Order.

55. Documents and Instruments. Each federal, state, commonwealth, local, foreign, or other governmental agency is hereby authorized to accept any and all documents and instruments necessary or appropriate to effectuate, implement or consummate the transactions contemplated by the Plan and this Order.

56. Conditions to Effective Date. The Plan shall not become effective unless and until the conditions set forth in Section 25.2 of the Plan have been satisfied or waived pursuant to Section 25.3 of the Plan.

57. Vacatur of Order. If a Final Order denying confirmation of the Plan is entered, or if this 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.

58. Retention of Jurisdiction. Subject to the limitations set forth in Article XXVI of the Plan, the Bankruptcy Court shall retain and have exclusive jurisdiction over any matters arising under the Bankruptcy Code, arising in or related to the Chapter 11 Cases or the Plan, or that relates to the matters set forth in Article XXVI of the Plan.

59. Conflicts Between Order and Plan. The provisions of this Order and the Plan shall be construed in a manner consistent with each other so as to effect the purpose of each; provided, however, that, if there is determined to be any inconsistency between any Plan provision and any provision of this Order that cannot be so reconciled, then solely to the extent of such inconsistency, the provisions of this Order shall govern and any provision of this Order shall be deemed a modification of the Plan and shall control and take precedence.

60. Provisions of Plan and Order Nonseverable and Mutually Dependent. The provisions of the Plan and this Order, including the findings of fact and conclusions of law set forth herein, are nonseverable and mutually dependent.

61. Governing Law. Except to the extent that the Bankruptcy Code or other federal law is applicable, or to the extent that an exhibit to the Plan or any document to be entered into in connection with the Plan provides otherwise, the rights, duties and obligations arising under the 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.

62. Applicable Non-bankruptcy Law. Pursuant to sections 1123(a) and 1142(a) of the Bankruptcy Code, the provisions of this Order, the Plan and related documents or

any amendments or modifications thereto shall apply and be enforceable notwithstanding any otherwise applicable non-bankruptcy law.

63. Waiver of Filings. Any requirement under section 521 of the Bankruptcy Code or Bankruptcy Rule 1007 obligating the Debtors to file any list, schedule, or statement with the Bankruptcy Court or the Office of the U.S. Trustee (except for monthly operating reports or any other post-confirmation reporting obligation to the U.S. Trustee), is hereby waived as to any such list, schedule, or statement not filed as of the Effective Date.

64. Police Powers. Nothing contained in the Plan or this Order shall preclude the United States of America, any state or any of their respective police or regulatory agencies from enforcing their statutory, police or regulatory powers.

65. Notice of Order. In accordance with Bankruptcy Rules 2002 and 3020(c), as soon as reasonably practicable after the Effective Date, the Debtors shall serve notice of the entry of this Order and the occurrence of the Effective Date, substantially in the form annexed hereto as Exhibit C, to all parties who hold a Claim or Equity Interest in these cases, including the Creditors' Committee, the U.S. Trustee, the Internal Revenue Service, the United States attorney for the District of Delaware, and any party filing a notice pursuant to Bankruptcy Rule 2002. Such notice is hereby approved in all respects and shall be deemed good and sufficient notice of entry of this Order.

66. Substantial Consummation. On the Effective Date, the Plan shall be deemed to be substantially consummated under sections 1101 and 1127 of the Bankruptcy Code.

67. No Waiver. The failure to specifically include any particular provision of the Plan in this Order will not diminish the effectiveness of such provision nor constitute a

waiver thereof, it being the intent of this Court that the Plan is confirmed in their entirety and incorporated herein by this reference.

68. Waiver of Stay. The requirement under Bankruptcy rule 3020(e) that an order confirming a plan is stayed until the expiration of fourteen (14) days after entry of the order is hereby waived. This Order shall take effect immediately and shall not be stayed pursuant to Bankruptcy Rules 3020(e), 6004(g), 6006(d), or 7062.

69. Worthless Stock Deductions. From and after the Effective Date, the requirements set forth in that certain *Order Approving Pursuant to Sections 362 and 105(a) of the Bankruptcy Code Procedures Regarding Worthless Securities Deductions Regarding Interests in the Debtors*, dated October 24, 2012, [Docket No. 194] (the "NOL Order"), shall not prohibit any 50-Percent Shareholder (as defined in the NOL Order) from taking any Worthless Securities Deduction (as defined in the NOL Order) for any taxable year of the 50-Percent Shareholder ending after the Effective Date; provided, however, that, under no circumstances shall a 50-Percent Shareholder be allowed to take a Worthless Securities Deduction for any taxable year ending prior to the Effective Date, except upon twenty-eight (28) business days prior written notice to the Reorganized Debtors; and, provided, further, that if a proposed Worthless Securities Deduction is not approved, in writing, by the Debtors within fourteen (14) calendar days after receiving notice thereof, it shall be deemed rejected and shall not be effective unless approved by a final and non-appealable order of this Court.

Dated: March _____, 2013
Wilmington, Delaware

CHRISTOPHER S. SONTCHI
UNITED STATES BANKRUPTCY JUDGE

Exhibit A

The Plan

**UNITED STATES BANKRUPTCY COURT
DISTRICT OF DELAWARE**

-----X	:	
	:	
<i>In re</i>	:	Chapter 11
	:	
SOUTHERN AIR HOLDINGS, INC., et al.,	:	Case No. 12-12690 (CSS)
	:	
Debtors.¹	:	Jointly Administered
	:	
-----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

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.

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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*

Exhibit B

The Plan Modification

**UNITED STATES BANKRUPTCY COURT
DISTRICT OF DELAWARE**

-----X	
<i>In re</i>	: Chapter 11
	:
SOUTHERN AIR HOLDING, INC., <i>et al.</i> ,	:
	: Case No. Case No. 12-12690 (CSS)
	:
Debtors.	: (Jointly Administered)
	:
	:
-----X	

**MODIFICATION OF 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

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

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*

Exhibit C

Notice of Confirmation and Effective Date

UNITED STATES BANKRUPTCY COURT
DISTRICT OF DELAWARE

-----X
:

In re : **Chapter 11**

:

SOUTHERN AIR : **Case No. 12-12690 (CSS)**

HOLDINGS, INC., et al., :

:

Debtors.¹ : **Jointly Administered**

:

-----X

**NOTICE OF (A) ENTRY OF ORDER
CONFIRMING SECOND AMENDED JOINT PLAN OF
AFFILIATED DEBTORS PURSUANT TO CHAPTER 11 OF THE UNITED
STATES BANKRUPTCY CODE AND (B) OCCURRENCE OF THE EFFECTIVE DATE**

TO CREDITORS, EQUITY INTEREST HOLDERS, AND PARTIES IN INTEREST:

PLEASE TAKE NOTICE that, pursuant to an order, dated March [___], 2013 [Docket No. ____] (the “Confirmation Order”), the *Second Amended Joint Plan of Affiliated Debtors Pursuant to Chapter 11 of the United States Bankruptcy Code*, dated January 18, 2013 [Docket No. 470] (as modified, the “Plan”), of 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, Aircraft 21255, LLC, Aircraft 21380, LLC, and CF6-50, LLC, as debtors and debtors in possession (collectively, the “Debtors”), was confirmed by the United States Bankruptcy Court for the District of Delaware (the “Bankruptcy Court”). Unless otherwise defined in this Notice, capitalized terms used herein shall have the meanings ascribed to them in the Plan and the Confirmation Order.

PLEASE TAKE FURTHER NOTICE that copies of the Confirmation Order, the Plan, and related documents, are available at <http://www.kccllc.net/southernair> or the Bankruptcy Court’s website at www.deb.uscourts.gov and also are available for inspection during regular business hours in the office of the Clerk of the Bankruptcy Court, 824 Market Street, 3rd Floor, Wilmington, Delaware 19801.

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.

PLEASE TAKE FURTHER NOTICE that the Effective Date of the Plan occurred on March [___], 2013 and the Plan was substantially consummated.

PLEASE TAKE FURTHER NOTICE that, pursuant to the terms of the Plan, on or prior to the Effective Date, the Litigation Trust Agreement was executed and the Litigation Trust was established. Pursuant to the Confirmation Order, the Bankruptcy Court approved the appointment of Tom Mercaldo, Mark Walenczyk, and Barry Mukamal as the initial members of the Litigation Trust Board, Barry E. Mukamal as the “Litigation Trustee” for the Litigation Trust, and CSC Trust Company of Delaware as the “Delaware Trustee” for the Litigation Trust. The Litigation Trustee can be contacted as follows:

Barry E. Mukamal
One SE Third Avenue, Tenth Floor
Miami, FL 33131

PLEASE TAKE FURTHER NOTICE that, pursuant to paragraph 32 of the Confirmation Order, the deadline for filing proofs of or requests for payment of Administrative Expense Claims (“Administrative Expense Requests”) is [____], 2013; provided, however, that no Administrative Expense Request shall be required if such Administrative Expense Claim was incurred in accordance with an order of the Bankruptcy Court or with the consent of the Debtors and in the ordinary course of the Debtors’ operations. All Administrative Expense Requests should be sent to the following:

Southern Air Claims Processing Center
c/o KCC
2335 Alaska Avenue
El Segundo, California 90245

Administrative Expense Requests will be deemed timely filed only if **actually received** by Kurtzman Carson Consultants LLC by **8:00 p.m. (Eastern Time)** on [____], 2013 (the “Administrative Deadline”). Administrative Expense Requests may **not** be delivered by facsimile, telecopy, or electronic mail transmission.

PLEASE TAKE FURTHER NOTICE that, if you are required to file an Administrative Expense Request pursuant to paragraph 32 of the Confirmation Order and fail to do so by the Administrative Deadline, you will be forever barred, estopped, and enjoined from asserting such Administrative Expense Claim (and from filing an Administrative Expense Request with respect to such Administrative Expense Claim) against the Debtors, their estates, and their property and the Debtors, the Reorganized Debtors, and the Litigation Trust will be forever discharged from any and all indebtedness or liability with respect to such Administrative Expense Claim.

PLEASE TAKE NOTICE that, pursuant to paragraph 33 of the Confirmation Order, any Entity seeking an award by the Bankruptcy Court of compensation or reimbursement of expenses in accordance with section 328, 330 or 331 of the Bankruptcy Code or entitled to priorities established pursuant to section 503(b)(2), 503(b)(3), 503(b)(4) or 503(b)(5) of the Bankruptcy Code shall (1) file with the Clerk of the Bankruptcy Court on or prior to **5:00 p.m.**

(Eastern Time) on [____], 2013, an application, including, without limitation, a final fee application, for such award of compensation or reimbursement (2) serve a copy thereof, together with exhibits and schedules related thereto, upon (a) Weil, Gotshal & Manges LLP, Attorneys for the Debtors, 767 Fifth Avenue, New York, NY 10153, Attn: Brian S. Rosen, Esq., (b) Young Conaway Stargatt & Taylor, LLP, Attorneys for the Debtors, Rodney Square, 1000 North King Street, Wilmington, DE 19801, Attn: M. Blake Cleary, Esq., (c) Milbank, Tweed, Hadley & McCloy, Attorneys for Canadian Imperial Bank of Commerce, New York Agency, 1 Chase Manhattan Plaza, New York, NY 10005, Attn: Matthew S. Barr, Esq., (d) Paul Weiss Rifkind Wharton & Garrison LLP, Attorneys for the Oak Hill Entities, 1285 Avenue of the Americas, New York, NY 10019, Attn: Alice B. Eaton, Esq., (e) Lowenstein Sandler PC, Attorneys for the Creditors' Committee, 65 Livingston Avenue, Roseland, New Jersey 07068, Attn: S. Jason Teele, Esq., (f) Pachulski Stang Ziehl & Jones LLP, Attorneys for the Creditors' Committee, 919 North Market Street, 17th Floor, P.O. Box 8705, Wilmington, DE 19899-8705, Attn: James E. O'Neill, Esq., and (g) the Office of the United States Trustee, 844 King Street, Suite 2207, Wilmington, DE 19801, Attn: Jane Leamy, Esq., and (3) comply with the requirements set forth in the Bankruptcy Court orders dated October 24, 2013 [Docket No. 199] and December 12, 2012 [Docket No. 371].

PLEASE TAKE FURTHER NOTICE that, pursuant to Section 22.5 of the Plan and paragraph 19 of the Confirmation Order, if the rejection of an executory contract or unexpired lease by the Debtors thereunder 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 their 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 latest to occur of (a) the Confirmation Date, and (b) notice of an amendment to the Assumption Schedule (if the filing party's executory contract or unexpired lease is subject to such amendment).

PLEASE TAKE FURTHER NOTICE that the Plan and its provisions are binding on the Debtors, the Reorganized Debtors, the Litigation Trust, the Litigation Trustee, any holder of a Claim against, or Equity Interest in, the Debtors and such holder's respective successors and assigns, whether or not the Claim or Equity Interest of such holder is impaired by the Plan and whether or not such holder or Entity voted to accept the Plan.

Dated: March [__], 2013
Wilmington, Delaware

Brian S. Rosen, Esq.
WEIL, GOTSHAL & MANGES LLP
767 Fifth Avenue
New York, New York 10153
Telephone: (212) 310-8000
Facsimile: (212) 310-8007

M. Blake Cleary (No. 3614)
YOUNG CONAWAY STARGATT & TAYLOR, LLP
Rodney Square
1000 North King Street
Wilmington, Delaware 19801
Telephone: (302) 571-6600
Facsimile: (302) 571-1253

*Attorneys for the Debtors
and Debtors in Possession*