

UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK

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**In re:** :  
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**FRONTIER AIRLINES HOLDINGS, INC.,** : **Chapter 11 Case No.**  
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**et al.,** : **08-11298 (RDD)**  
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**Debtors.** : **(Jointly Administered)**  
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**ORDER CONFIRMING DEBTORS' JOINT PLAN OF REORGANIZATION  
UNDER CHAPTER 11 OF THE BANKRUPTCY CODE**

The Debtors' Joint Plan of Reorganization under Chapter 11 of the Bankruptcy Code, dated September 8, 2009 (attached hereto as Exhibit A, the "**Plan**"),<sup>1</sup> having been filed with this Court (the "**Court**") by Frontier Airlines Holdings, Inc. ("**Frontier Holdings**") and its two subsidiaries that are debtors and debtors in possession in these cases (collectively, the "**Debtors**")<sup>2</sup>; and the Court having entered, after due notice and a hearing, pursuant to sections 105, 502, 1125, 1126 and 1128 of title 11 of the United States Code (the "**Bankruptcy Code**") and rules 2002, 3003, 3017 and 3018 of the Federal Rules of Bankruptcy Procedure (the "**Bankruptcy Rules**"), an order dated July 22, 2009 (the "**Approval Order**") (i) approving the Debtors' Disclosure Statement, including all Appendices attached thereto (as amended, the "**Disclosure Statement**"), (ii) approving solicitation and notice materials, (iii) approving forms of ballots, (iv) establishing solicitation and voting procedures, (v) allowing and estimating certain claims for voting purposes, (vi) scheduling a confirmation hearing (the "**Confirmation Hearing**") and (vii) establishing notice and objection procedures; and the Debtors

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<sup>1</sup> Unless otherwise defined, capitalized terms used herein shall have the meanings ascribed to such terms in the Plan.

<sup>2</sup> The Debtors are the following entities: Frontier Holdings; Frontier Airlines, Inc. ("**Frontier**"); and Lynx Aviation, Inc. ("**Lynx**").

having provided a copy of the Disclosure Statement to all holders of Claims in Class 3 (General Unsecured Claims) (the “**Voting Class**”) as provided for by the Approval Order; and the various Plan schedules and Plan Supplements (collectively, the “**Plan Supplements**”) having been filed and served as required by the Plan; and the Confirmation Hearing having been held before the Court on September 10, 2009 after due notice to holders of Claims and Interests and other parties-in-interest in accordance with the Approval Order, the Bankruptcy Code and the Bankruptcy Rules; and upon all of the proceedings had before the Court and after full consideration of: (i) each of the objections to confirmation of the Plan (the “**Objections**”); (ii) the memorandum of law in support of confirmation of the Plan filed by the Debtors, dated September 8, 2009; (iii) the declarations filed in connection with confirmation of the Plan, including (a) the Declaration of Edward M. Christie, III in Support of Confirmation of the Debtors’ Joint Plan of Reorganization under Chapter 11 of the Bankruptcy Code (the “**Christie Declaration**”), (b) the Declaration of Michael B. Cox in Support of Confirmation of the Debtors’ Joint Plan of Reorganization under Chapter 11 of the Bankruptcy Code (the “**Cox Declaration**”) and (c) the Declaration of James Katchadurian of Epiq Bankruptcy Solutions, LLC Regarding the Tabulation of and Results of Voting with Respect to the Debtors’ Joint Plan of Reorganization under Chapter 11 of the Bankruptcy Code [ECF No. 1050] (the “**Vote Certification**” and, collectively with the Christie Declaration and the Cox Declaration, the “**Declarations**”) and the testimony contained therein and any additional testimony presented to the Court and (iv) all other evidence proffered or adduced during, memoranda and objections filed in connection with and arguments of counsel made at the Confirmation Hearing; and after due deliberation and sufficient cause appearing therefor,

It hereby is DETERMINED, FOUND, ADJUDGED, DECREED AND ORDERED THAT:

**FINDINGS OF FACT AND CONCLUSIONS OF LAW**

1. Exclusive Jurisdiction; Venue; Core Proceeding (28 U.S.C. §§ 157(b)(2) and 1334(a)).

The Court has jurisdiction over the Chapter 11 Cases pursuant to sections 157 and 1334 of title 28 of the

United States Code. Venue is proper pursuant to sections 1408 and 1409 of title 28 of the United States Code. Confirmation of the Plan is a core proceeding pursuant to section 157(b)(2)(L) of title 28 of the United States Code, and this Court has exclusive jurisdiction to determine whether the Plan complies with the applicable provisions of the Bankruptcy Code and should be confirmed.

2. Commencement and Joint Administration of the Chapter 11 Cases. On the Petition Date, each of the above-captioned Debtors commenced a case under Chapter 11 of the Bankruptcy Code. By prior order of the Court, the Chapter 11 Cases have been consolidated for procedural purposes only and are being jointly administered pursuant to Bankruptcy Rule 1015. The Debtors have operated their businesses and managed their properties as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. No trustee or examiner has been appointed in the Chapter 11 Cases.

3. Judicial Notice. The Court takes judicial notice of the docket of the Chapter 11 Cases maintained by the Clerk of the Court and/or its duly appointed agent, including, without limitation, all pleadings and other documents filed and orders entered thereon. The Court also takes judicial notice of all evidence proffered or adduced and all arguments made at the hearings held before the Court during the pendency of these Chapter 11 Cases.

4. Burden of Proof. The Debtors, as the Plan proponents, have the burden of proving the elements of section 1129 of the Bankruptcy Code by a preponderance of the evidence, and they have met that burden as further found and determined herein.

5. Notice; Transmittal and Mailing of Materials.

(a) Due, adequate and sufficient notice of the Disclosure Statement, the Plan and the Confirmation Hearing, along with adequate notice of the respective deadlines for voting on and filing objections to the Plan, has been given to all known holders of Claims and Interests substantially in accordance with the procedures set forth in the Approval Order, and no other or further notice is or shall be required;

(b) The Debtors have transmitted to members of the Voting Class solicitation packages (the “**Solicitation Packages**”), each containing (i) a cover letter describing the contents of the Solicitation Package, the contents of the enclosed CD-ROM and instructions for obtaining printed copies of any materials provided on the CD-ROM at no charge, (ii) a CD-ROM containing (x) the Disclosure Statement (with the Plan annexed thereto and other exhibits) and (y) the Approval Order (without exhibits), (iii) the Confirmation Hearing Notice, (iv) a Ballot or Beneficial Ballot, as appropriate, together with a pre-addressed postage paid envelope and (v) a letter from the Creditors’ Committee regarding acceptance of the Plan substantially in accordance with the procedures set forth in the Approval Order. All procedures used to distribute the Solicitation Packages to the Voting Class were fair and were conducted in accordance with the Bankruptcy Code and the Bankruptcy Rules and all other applicable rules, laws and regulations;

(c) The Debtors have transmitted to members of the non-voting classes (Class 1 (Other Priority Claims), Class 2 (Secured Claims), Class 4a (Interests in Frontier Holdings), Class 4b (Interests in Frontier and Lynx) and Class 4c (Securities Litigations Claims)), to the extent knowable, a notice describing such recipient’s non-voting status and the deadline for filing objections to the Plan (the “**Non-Voting Notices**”) substantially in accordance with the procedures set forth in the Approval Order;

(d) The Debtors have served all parties-in-interest with, at a minimum, the Confirmation Hearing Notice;

(e) Adequate and sufficient notice of the Confirmation Hearing and all other bar dates described in the Approval Order and the Plan has been given in accordance with the Bankruptcy Rules and the Approval Order, and no other or further notice is or shall be required; and

(f) The filing with the Court and service of the version of the Plan attached as Appendix A to the Disclosure Statement, the filing of the Plan on September 8, 2009 and the disclosure of any further modifications on the record at the Confirmation Hearing constitute due and sufficient notice of the Plan and all modifications thereto.

6. Voting. Votes on the Plan were solicited after disclosure of “adequate information” as defined in section 1125 of the Bankruptcy Code. As evidenced by the Vote Certification, votes to accept the Plan have been solicited and tabulated fairly, in good faith and in a manner consistent with the Approval Order, the Bankruptcy Code and the Bankruptcy Rules.

7. Plan Supplements. On August 18, 2009, the Debtors filed Plan Supplements, as described in Section 16.5 of the Plan. In addition, the Debtors filed Schedules to the Plan on various dates. All such Plan Supplements and Schedules comply with the terms of the Plan, and the filing and notice of such documents was good and proper in accordance with the Bankruptcy Code, the Bankruptcy Rules and the Approval Order, and no other or further notice is or shall be required.

8. Plan Modifications (11 U.S.C. § 1127). Subsequent to solicitation, the Debtors made certain non-material modifications to the Plan (the “**Plan Modifications**”). Prior notice regarding the substance of the Plan Modifications, coupled with the filing with the Court of the Plan as modified by the Plan Modifications and, in certain circumstances, the disclosure of the Plan Modifications on the record at the Confirmation Hearing, constitute due and sufficient notice thereof.

9. Deemed Acceptance of Plan as Modified. All Plan Modifications are consistent with all of the provisions of the Bankruptcy Code, including, without limitation, sections 1122, 1123, 1125 and 1127 and Bankruptcy Rule 3019, and all holders of Claims who voted to accept the Plan and who are conclusively presumed to have accepted the Plan are deemed to have accepted the Plan as modified by the Plan Modifications. No holder of a Claim or Interest shall be permitted to change its vote as a consequence of the Plan Modifications.

10. Bankruptcy Rule 3016(a). The Plan reflects the date it was filed with the Court and identifies the entities submitting it as Plan proponents, thereby satisfying Bankruptcy Rule 3016(a).

11. Plan Compliance with Bankruptcy Code (11 U.S.C. § 1129(a)(1)). The Plan complies with the applicable provisions of the Bankruptcy Code, thereby satisfying section 1129(a)(1) of the Bankruptcy Code.

(a) Proper Classification (11 U.S.C. §§ 1122 and 1123(a)(1)). In addition to Administrative Claims and Priority Tax Claims that need not be classified, the Plan classifies six Classes of Claims and Interests. The Claims and Interests placed in each Class are substantially similar to other Claims or 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 Interests created under the Plan, the classifications were not done for any improper purpose and such Classes do not unfairly discriminate between or among holders of Claims or Interests. The Plan satisfies sections 1122 and 1123(a)(1) of the Bankruptcy Code.

(b) Specified Unimpaired Classes (11 U.S.C. § 1123(a)(2)). Section 4.2 of the Plan specifies that Class 1 (Other Priority Claims), Class 2 (Secured Claims) and Class 4b (Interests in Frontier and Lynx) are Unimpaired by the Plan, thereby satisfying section 1123(a)(2) of the Bankruptcy Code.

(c) Specified Treatment of Impaired Classes (11 U.S.C. § 1123(a)(3)). Section 4.2 of the Plan designates Class 3 (General Unsecured Claims), Class 4a (Interests in Frontier Holdings) and Class 4c (Securities Litigation Claims) as Impaired, and Article 4 of the Plan specifies the treatment of each of these Classes of Claims and Interests under the Plan, thereby satisfying section 1123(a)(3) of the Bankruptcy Code.

(d) No Discrimination (11 U.S.C. § 1123(a)(4)). The Plan provides for the same treatment by the Debtors for each Claim or Interest in each respective Class, unless the holder of

a Claim or Interest has agreed to a less favorable treatment, thereby satisfying section 1123(a)(4) of the Bankruptcy Code.

(e) Implementation of Plan (11 U.S.C. § 1123(a)(5)). The Plan and the various documents and agreements set forth in the Plan Supplements and described in the Plan provide adequate and proper means for the Plan's implementation, including, without limitation, the Plan Consolidation described below, thereby satisfying section 1123(a)(5) of the Bankruptcy Code.

(f) Nonvoting Equity Securities (11 U.S.C. § 1123(a)(6)). The certificate of incorporation of Reorganized Frontier Holdings and the certificates of incorporation of the Reorganized Subsidiary Debtors, filed as Plan Supplements on August 18, 2009 (collectively, the **"New Certificates of Incorporation"**), each prohibit the issuance of non-voting equity securities. Thus, the requirements of section 1123(a)(6) of the Bankruptcy Code are satisfied with respect to the New Certificates of Incorporation.

(g) Designation of Directors and Officers (11 U.S.C. § 1123(a)(7)). Section 11.3 of the Plan contains provisions with respect to the manner of appointment of the directors and officers of the Reorganized Debtors that are consistent with the interests of creditors, equity security holders and public policy in accordance with section 1123(a)(7) of the Bankruptcy Code.

(h) Additional Plan Provisions (11 U.S.C. § 1123(b)(6)). The Plan's provisions are appropriate and consistent with the applicable provisions of the Bankruptcy Code.

12. Compliance with Bankruptcy Code (11 U.S.C. § 1129(a)(2)). The Debtors, as the proponents of the Plan, have complied with the applicable provisions of the Bankruptcy Code, thereby satisfying section 1129(a)(2) of the Bankruptcy Code. Specifically, *inter alia*:

(a) The Debtors are proper debtors under section 109(d) of the Bankruptcy Code;

(b) The Debtors have complied with applicable provisions of the Bankruptcy Code, except as otherwise provided or permitted by order of the Court; and

(c) The Debtors have complied with the applicable provisions of the Bankruptcy Code, the Bankruptcy Rules and the Approval Order in transmitting the Disclosure Statement, the Plan and related documents and notices in soliciting and tabulating votes on the Plan.

(d) Good Faith Solicitation (11 U.S.C. § 1125(e)). Based on the record before this Court in these Chapter 11 Cases, the Debtors, the Creditors' Committee and each of their members, directors, officers, employees, shareholders, agents, advisors, accountants, investment bankers, consultants, attorneys and other representatives have acted in "good faith" within the meaning of section 1125(e) of the Bankruptcy Code and in compliance with the applicable provisions of the Bankruptcy Code and Bankruptcy Rules in connection with all of 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 such parties listed in Section 12.5 of the Plan are entitled to the protections afforded by section 1125(e) of the Bankruptcy Code and the exculpation provisions set forth in Section 12.5 of the Plan.

13. Plan Proposed in Good Faith (11 U.S.C. § 1129(a)(3)). The Debtors have proposed the Plan in good faith and not by any means forbidden by law, thereby satisfying section 1129(a)(3) of the Bankruptcy Code. The Debtors' good faith is evident from the facts and records of these Chapter 11 Cases, the Disclosure Statement and the hearing thereon, 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 effectuating a successful reorganization of the Debtors.

14. Payment for Services or Costs and Expenses (11 U.S.C. § 1129(a)(4)). Subject to the provisions of Section 8.1(a) of the Plan, any payment made or to be made by any of the Debtors for



services or for costs and expenses in or in connection with the Chapter 11 Cases, or in connection with the Plan and incident to the Chapter 11 Cases, has been approved by, or is subject to the approval of, the Court as reasonable, thereby satisfying section 1129(a)(4) of the Bankruptcy Code.

15. 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 members of the New Board and as members of the respective boards of directors of the Subsidiary Debtors were disclosed in Plan Supplements filed on August 18, 2009, and the appointment to, or continuance in, such positions of such persons is consistent with the interests of holders of Claims against, and Interests in, the Debtors and with public policy. The Debtors have further disclosed that the principal officers of each Debtor immediately prior to the Effective Date will be the officers of such Reorganized Debtor as of the Effective Date. The nature of the compensation payable to the members of the New Board, as well as the current compensation of the chief executive officer, chief financial officer and the three other most highly-compensated officers of Frontier Holdings was disclosed in a Plan Supplement filed with the Bankruptcy Court on August 18, 2009.

16. No Rate Changes (11 U.S.C. § 1129(a)(6)). The Plan does not contain any rate changes subject to the jurisdiction of any governmental regulatory commission and does not require approval by any governmental regulator. Therefore, the Plan satisfies section 1129(a)(6) of the Bankruptcy Code.

17. Best Interests of Creditors (11 U.S.C. § 1129(a)(7)). The Plan satisfies section 1129(a)(7) of the Bankruptcy Code. The liquidation analysis set forth in Appendix B to the Disclosure Statement and supported in the Christie Declaration and the Cox Declaration (a) is persuasive and credible, (b) has not been controverted by other evidence, (c) is based on sound methodology and (d) establishes that each holder of an Impaired Claim or Interest either has accepted the Plan or will receive or retain under the Plan, on account of such Claim or 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.

18. Acceptance by Certain Classes (11 U.S.C. § 1129(a)(8)). Class 1 (Other Priority Claims), Class 2 (Secured Claims) and Class 4b (Interests in Frontier and Lynx) are each Classes of Unimpaired Claims or Interests that are conclusively presumed to have accepted the Plan under section 1126(f) of the Bankruptcy Code. The Voting Class has voted to accept the Plan in accordance with section 1126(c) of the Bankruptcy Code. No Classes voted against the Plan; however Class 4a (Interests in Frontier Holdings) and Class 4c (Securities Litigation Claims) (collectively, the “**Deemed Rejecting Classes**”) are not entitled to receive or retain any property under the Plan and, therefore, are deemed to have rejected the Plan pursuant to section 1126(g) of the Bankruptcy Code. Although section 1129(a)(8) of the Bankruptcy Code has not been satisfied with respect to the Deemed Rejecting Classes, the Plan is confirmable because the Plan does not discriminate unfairly and is fair and equitable with respect to the Deemed Rejecting Classes and thus satisfies section 1129(b) of the Bankruptcy Code with respect to such Classes.

19. Treatment of Administrative, Priority Tax and Priority Non-Tax Claims (11 U.S.C. § 1129(a)(9)). The treatment of Administrative Claims and Other Priority Claims pursuant to Article 3 and Section 4.2 of the Plan, respectively, satisfies the requirements of sections 1129(a)(9)(A) and (B) of the Bankruptcy Code, and the treatment of Priority Tax Claims pursuant to Section 3.2 of the Plan satisfies the requirements of section 1129(a)(9)(C) of the Bankruptcy Code.

20. Acceptance by Impaired Classes (11 U.S.C. § 1129(a)(10)). The Voting Class is an Impaired Class and has voted to accept the Plan, without including any acceptance of the Plan by any insider. As such, without including any acceptance of the Plan by any insider, there is at least one Class of Claims against the Debtors that is Impaired under the Plan and has accepted the Plan. Thus the Plan satisfies the requirements of section 1129(a)(10) of the Bankruptcy Code.

21. Feasibility (11 U.S.C. § 1129(a)(11)). The evidence submitted regarding feasibility through the Declarations together with all evidence proffered or advanced at or prior to the Confirmation Hearing (a) is persuasive and credible, (b) has not been controverted by other evidence and (c) establishes that confirmation of the Plan is not likely to be followed by the liquidation or the need for further financial reorganization of the Reorganized Debtors, thus satisfying the requirements of section 1129(a)(11) of the Bankruptcy Code.

22. Payment of Fees (11 U.S.C. § 1129(a)(12)). As provided in Section 16.3 of the Plan, all fees payable pursuant to section 1930(a) of title 28 of the United States Code, as determined by the Court, have been paid or shall be paid for each quarter (including any fraction thereof) until the Chapter 11 Cases are converted, dismissed or closed, whichever occurs first, thus satisfying the requirements of section 1129(a)(12) of the Bankruptcy Code.

23. Continuation of Retiree Benefits (11 U.S.C. § 1129(a)(13)). Section 1129(a)(13) of the Bankruptcy Code requires a plan to provide for retiree benefits at levels established pursuant to section 1114 of the Bankruptcy Code. On and after the Effective Date, pursuant to section 1129(a)(13) of the Bankruptcy Code, the Reorganized Debtors shall continue to pay any retiree health and welfare benefits of the Debtors covered by section 1114 of the Bankruptcy Code at the levels established pursuant to subsection (e)(1)(B) or (g) of section 1114 of the Bankruptcy Code at any time prior to confirmation of the Plan, and for the duration of the period for which the Debtors have obligated themselves to provide such benefits. The Reorganized Debtors may unilaterally modify or terminate any retiree benefits (including health and welfare benefits) in accordance with the terms of the plan, program, policy or document under which such benefits are established or maintained; *provided, however*, that nothing herein shall be construed to enlarge the Reorganized Debtors' rights to modify such retiree benefits (including such retiree benefits that are vested, if any) under applicable non-bankruptcy law.

24. No Unfair Discrimination; Fair and Equitable (11 U.S.C. § 1129(b)). Based upon the Declarations and all other evidence before the Court, the Plan does not discriminate unfairly and is fair and equitable with respect to the Deemed Rejecting Classes, as required by sections 1129(b)(1) and (2) of the Bankruptcy Code. Thus, the Plan may be confirmed notwithstanding the Debtors' failure to satisfy section 1129(a)(8) of the Bankruptcy Code. Upon confirmation and the occurrence of the Effective Date, the Plan shall be binding upon the members of the Deemed Rejecting Classes.

(a) The Plan Does Not Unfairly Discriminate Against the Deemed Rejecting Classes.

The Plan does not unfairly discriminate against the Deemed Rejecting Classes. The Interests classified in Class 4b (Interests in Frontier and Lynx) shall be Reinstated for the ultimate benefit of Reorganized Frontier Holdings in exchange for the agreement of Reorganized Frontier Holdings to make distributions under the Plan to Creditors of Frontier and Lynx and to use certain funds and assets, to the extent authorized in the Plan, to satisfy certain obligations of Frontier and Lynx. As a result, there is a reasonable basis for any disparate treatment between and among Class 4a (Interests in Frontier Holdings), Class 4b (Interests in Frontier and Lynx) and Class 4c (Securities Litigation Claims). Therefore, the Plan satisfies section 1129(b)(1) of the Bankruptcy Code.

(b) The Plan is Fair and Equitable. The Plan is fair and equitable, in that no holder that is junior to the Interests classified in the Deemed Rejecting Classes will receive or retain under the Plan any property on account of such junior interest. Therefore, the Plan satisfies section 1129(b)(2)(C)(ii) of the Bankruptcy Code.

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

26. Principal Purpose of the Plan (11 U.S.C. § 1129(d)). The principal purpose of the Plan, as evidenced by its terms, is not the avoidance of taxes or the avoidance of the application of section 5 of the Securities Act.

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

28. Plan Consolidation. A preponderance of the evidence presented to this Court demonstrates that no Creditor will be harmed by the proposed Plan Consolidation and that the Plan Consolidation is appropriate. Furthermore, no Creditor or Interest holder has objected to or opposed the Plan Consolidation; *provided, however*, that the Debtors have entered into an agreement with MetLife Capital, Limited Partnership (“**MetLife**”) regarding the assumption of the lease agreements and other operative documents for aircraft bearing tail nos. N501LX and N503LX through N506LX, inclusive (the “**Lease Agreements**”), and pursuant to which MetLife, Export Development Canada, as loan participant, and their respective trustees reserve certain rights as set forth on the record at the Confirmation Hearing in connection with the Plan Consolidation in the event that the Lease Agreements are ultimately rejected, which reservation of rights are expressly included as part of this Order.

29. Implementation. All documents and agreements necessary to implement the Plan, including, without limitation, those contained in the Plan Supplements, and all other relevant and necessary documents have been negotiated in good faith at arm’s-length and are in the best interests of the Debtors and the Reorganized Debtors and shall, upon completion of such documentation and execution, be valid, binding and enforceable documents and agreements not in conflict with any federal or state law.

30. Good Faith. The Debtors, the Creditors’ Committee, the DIP Agent, the Indenture Trustee, the Plan Sponsor and all other parties (and all of their respective members, officers, directors, agents, financial advisers, attorneys, employees, equity holders, partners, affiliates and representatives)

will be acting in good faith if they proceed to (i) consummate the Plan and the agreements, settlements, transactions and transfers contemplated thereby (including, without limitation, the Restructuring Transactions) and (ii) take the actions authorized and directed by this Confirmation Order.

31. Assumption or Rejection of Executory Contracts and Unexpired Leases. The Debtors have exercised their reasonable business judgment prior to the Confirmation Hearing in determining whether to assume or reject each of their executory contracts and unexpired leases as set forth in Article 10 of the Plan, the Plan Supplements, the Confirmation Order or otherwise. Notwithstanding any provision of this Confirmation Order or the Plan to the contrary, the Debtors may amend Schedules 10.2(a) and 10.2(b) to reject and/or otherwise modify the treatment of certain executory contracts and/or unexpired leases, as and to the extent noted in the versions of Schedules 10.2(a) and 10.2(b) filed on September 9, 2009, after the date hereof. Each assumption or rejection of an executory contract or unexpired lease pursuant to the Confirmation Order and in accordance with Article 10 of the Plan or otherwise shall be legal, valid and binding upon the applicable Reorganized Debtor and all non-Debtor entities party to such executory contract or unexpired lease (subject to the rights of the non-debtor entities party to such agreements to object to such assumption or rejection and the rights of the Reorganized Debtor in response to any such objection); *provided, however*, that nothing herein shall be construed as an Order of this Court compelling performance under any assumed contract or lease.

32. Adequate Assurance. The Debtors have provided adequate assurance of future performance for each of the executory contracts and unexpired leases that are being assumed by the Debtors pursuant to the Plan. The Debtors have cured or provided adequate assurance that the Reorganized Debtors will cure defaults (if any) under or relating to each of the executory contracts and unexpired leases that are being assumed by the Debtors pursuant to the Plan. The Plan and such assumptions, therefore, satisfy the requirements of Section 365 of the Bankruptcy Code.

33. Valuation. In accordance with the estimated recoveries set forth in the Disclosure Statement, the enterprise value of the Debtors is insufficient to support a distribution to holders of Interests in Frontier Holdings (Class 4a) or Securities Litigation Claims (Class 4c).

34. Transfers by Debtors; Vesting of Assets. All transfers of property of the Debtors' Estates, including, without limitation, the transfer of the New Common Stock, shall be free and clear of all Liens, charges, Claims, encumbrances and other interests, except as expressly provided in the Plan or this Confirmation Order. Pursuant to sections 1141(b) and (c) of the Bankruptcy Code, all property of each of the Debtors (excluding property that has been abandoned pursuant to the Plan or an order of the Bankruptcy Court) shall vest in each of the respective Reorganized Debtors or their successors or assigns, as the case may be, free and clear of all Liens, charges, Claims, encumbrances and other interests, except as expressly provided in the Plan or this Confirmation Order. Such vesting does not constitute a voidable transfer under the Bankruptcy Code or applicable nonbankruptcy law.

35. The Debtors have made an overwhelming and uncontroverted showing of the very substantial cost, harm, risk and prejudice to these Estates and their Creditors that would result if the Plan is not consummated.

### **DECREEES**

NOW, THEREFORE, IT IS HEREBY ORDERED, ADJUDGED AND DECREED THAT:

36. Confirmation. The Plan is approved and confirmed under section 1129 of the Bankruptcy Code. The terms of the Plan Supplements are incorporated by reference into and are an integral part of the Plan.

37. Objections. All objections that have not been withdrawn, waived or settled, and all reservations of rights pertaining to Confirmation of the Plan, are overruled on the merits.

38. Plan Supplements. The documents contained in the Plan Supplements, and any amendments, modifications, and supplements thereto, and all documents and agreements related thereto

(including all exhibits and attachments thereto and documents referred to therein), and the execution, delivery and performance thereof by the Reorganized Debtors, are authorized and approved as finalized, executed and delivered. Without further order or authorization of this Court, the Debtors, Reorganized Debtors and their successors are authorized and empowered to make any and all modifications to all documents included as part of the Plan Supplements or otherwise contemplated by the Plan that are consistent with the Plan. Once finalized and executed, the documents comprising the Plan Supplements and all other documents contemplated by the Plan shall constitute legal, valid, binding and authorized obligations of the respective parties thereto, enforceable in accordance with their terms and, to the extent applicable, shall create, as of the Effective Date, all Liens and other security interests purported to be created thereby.

39. Provisions of Plan and Confirmation Order Non-severable and Mutually Dependent. The provisions of the Plan and the Confirmation Order, including the findings of fact and conclusions of law set forth herein, are each non-severable and mutually dependent.

40. Preparation, Delivery and Execution of Additional Documents by Third Parties. Each holder of a Claim receiving a distribution pursuant to the Plan and all other parties-in-interest shall, from time to time, take any reasonable actions as may be necessary or advisable to effectuate the provisions and intent of the Plan.

41. Solicitation and Notice. Notice of the Confirmation Hearing complied with the terms of the Approval Order, was appropriate and satisfactory based on the circumstances of the Chapter 11 Cases and was in compliance with the provisions of the Bankruptcy Code and the Bankruptcy Rules. The solicitation of votes on the Plan complied with the solicitation procedures in the Approval Order, was appropriate and satisfactory based upon the circumstances of the Chapter 11 Cases and was in compliance with the provisions of the Bankruptcy Code and the Bankruptcy Rules. Notice of the Plan Supplements and all related documents was appropriate and satisfactory based upon the circumstances



of the Chapter 11 Cases and was in compliance with the provisions of the Plan, Bankruptcy Code and the Bankruptcy Rules.

42. Plan Classifications Controlling. The classification of Claims and Interests for purposes of distributions made under the Plan shall be governed solely by the terms of the Plan. The classifications set forth on the Ballots tendered to or returned by the Creditors in connection with voting on the Plan (a) were set forth on the Ballots solely for purposes of voting to accept or reject the Plan, (b) do not necessarily represent, and in no event shall be deemed to modify or otherwise affect, the actual classification of such Claims under the Plan for distribution purposes and (c) shall not be binding on the Debtors or Reorganized Debtors.

43. Treatment in Full Satisfaction. The treatment of Claims and Interests set forth in the Plan (including the relinquishment of Claims by the Plan Sponsor as contemplated in the Investment Agreement) is in full and complete satisfaction of the legal, contractual and equitable rights that each holder of a Claim or Interest may have against the Debtors, the Debtors' Estates or their respective property, on account of such Claim or Interest.

44. Plan Consolidation. The Plan is predicated upon the consolidation of the Debtors' Estates for the purposes specified in the Plan (including voting, confirmation and distributions), as set forth more fully in Section 2.1 of the Plan. Consolidation of the Debtors' Estates for the purposes set forth in the Plan is in the best interest of all holders of Claims and Interests, is necessary for the implementation of the Plan and is appropriate in these Chapter 11 Cases; for these reasons, the Plan Consolidation is approved.

45. The Plan Consolidation shall not affect the (i) legal or organizational structure of the Debtors, (ii) pre or post-Petition Date Liens or security interests, (iii) pre or post-Petition Date guarantees that are required to be maintained (a) in connection with executory contracts or unexpired leases that were entered into during these Chapter 11 Cases or that have been or will be assumed or

(b) pursuant to the Plan, (iv) defenses to any cause of action or (v) distribution out of any insurance policies or proceeds of such policies.

46. Continued Corporate Existence. Except as otherwise provided in the Plan, each Debtor shall, as a Reorganized Debtor, continue to exist after the Effective Date as a separate legal entity, each with all of the powers of a corporation, under the laws of its jurisdiction of organization and without prejudice to any right to alter or terminate such existence (whether by merger or otherwise) under applicable state law.

47. Cancellation of Old Notes and Old Stock. On the Effective Date, except to the extent otherwise provided in this Confirmation Order or the Plan, all notes, instruments, certificates and other documents evidencing (a) the Old Notes and (b) the Old Stock shall be cancelled, and the obligations of the Debtors thereunder and in any way related thereto shall be fully satisfied, released and discharged; *provided, however*, that such cancellation shall not itself alter the obligations or rights of any non-Debtor third parties vis-à-vis one another with respect to such notes, instruments, certificates or other documents. On the Effective Date, except to the extent otherwise provided in this Confirmation Order or the Plan, any indenture or similar agreement relating to any of the foregoing, including, without limitation, the Indenture, and any related note, guaranty or similar instrument of the Debtors shall be deemed to be cancelled, as permitted by section 1123(a)(5)(F) of the Bankruptcy Code and discharged (A) with respect to all obligations owed by any Debtor under any such agreement and (B) except to the extent provided herein below, with respect to the respective rights and obligations of the Indenture Trustee under the Indenture against the holders of Old Note Claims. Solely for the purpose of clause (B) in the immediately preceding sentence, only the following rights of the Indenture Trustee shall remain in effect after the Effective Date: (1) rights as trustee, paying agent and registrar, including, but not limited to, any rights to payment of fees, expenses and indemnification obligations, including, but not limited to, payment from property distributed under the Plan to the Indenture Trustee (but excluding any other

property of the Debtors, the Reorganized Debtors or their respective Estates), (2) rights relating to distributions to be made to the holders of the Old Notes by the Indenture Trustee from any source, including, but not limited to, distributions under the Plan (but excluding any other property of the Debtors, the Reorganized Debtors or their respective Estates), (3) rights relating to representation of the interests of the holders of the Old Notes by the Indenture Trustee in the Chapter 11 Cases to the extent not discharged or released by the Plan or any order of the Court and (4) rights relating to participation by the Indenture Trustee in proceedings and appeals related to the Plan. Notwithstanding the continued effectiveness of such rights after the Effective Date, the Indenture Trustee shall have no obligation to object to Claims against the Debtors or to locate certificated holders of Old Notes who fail to surrender their Old Notes in accordance with Section 7.2(d) of the Plan.

48. Issuance of New Common Stock. Upon the terms and subject to the conditions set forth in the Investment Agreement and Section 6.4 of the Plan, Reorganized Frontier Holdings is authorized to issue 1,000 shares of New Common Stock (representing 100% of the issued and outstanding stock of Reorganized Frontier Holdings) for distribution to the Plan Sponsor.

49. Continuing Restructuring Transactions. On or after the Effective Date, the Reorganized Debtors may engage in or take such actions as may be necessary or appropriate to effect Restructuring Transactions, including, without limitation, (i) dissolving companies, (ii) filing appropriate certificates or articles of merger, consolidation or dissolution pursuant to applicable state law and (iii) any other action reasonably necessary or appropriate in connection with such corporate restructurings. In each case in which the surviving, resulting or acquiring Entity in any of the Restructuring Transactions is a successor to a Reorganized Debtor, such surviving, resulting or acquiring Entity will perform the obligations of the applicable Reorganized Debtor pursuant to the Plan, including paying or otherwise satisfying the Allowed Claims to be paid by such Reorganized Debtor. Implementation of any

Restructuring Transactions shall not affect any distributions, discharges, exculpations, releases or injunctions set forth in the Plan.

50. Plan Sponsor. Upon the terms and conditions set forth in the Investment Agreement and the Plan, at the closing under the Investment Agreement, Reorganized Frontier Holdings is authorized to issue, sell and deliver to the Plan Sponsor, and the Plan Sponsor is authorized to purchase from Reorganized Frontier Holdings, the New Common Stock free and clear of all Liens, for the Share Purchase Price. For the avoidance of doubt, the Share Purchase Price shall be deemed to include the relinquishment by the Plan Sponsor and any of its Affiliates (as such term is defined in the Investment Agreement) of all rights under the Plan to any distribution on account of the Plan Sponsor's or any of its Affiliates' (as such term is defined in the Investment Agreement) Allowed General Unsecured Claims (the "**Republic Distribution**"), it being understood that the Republic Distribution shall be payable to the holders of Allowed General Unsecured Claims, other than the Plan Sponsor and any of its Affiliates (as such term is defined in the Investment Agreement), on a pro rata basis.

51. Corporate Action

(a) On the Effective Date, the adoption, filing, approval and ratification, as necessary, of all corporate or related actions contemplated hereby with respect to each of the Reorganized Debtors shall be deemed authorized and approved in all respects. Without limiting the foregoing, such actions may include: (i) the adoption and filing of the New Certificate of Incorporation, (ii) the adoption and filing of the Reorganized Subsidiary Debtors' Certificates of Incorporation, (iii) the approval of the New Bylaws, (iv) the approval of the Reorganized Subsidiary Debtors' Bylaws, (v) the election or appointment, as the case may be, of directors and officers for the Reorganized Debtors, (vi) the issuance of the New Common Stock and (vii) the Restructuring Transactions to be effectuated pursuant to the Plan.

(b) As of the Effective Date, all matters provided for in the Plan involving the corporate structure of any Debtor or any Reorganized Debtor, or corporate actions required by any Debtor or any Reorganized Debtor in connection with the Plan, are deemed to have occurred and shall be in effect, without any requirement of further action by the security holders or directors of such Debtor or Reorganized Debtor or by any other stakeholder.

(c) On or after the Effective Date, the appropriate officers of each Reorganized Debtor and members of the board of directors, board of managers or equivalent body of each Reorganized Debtor are authorized and directed to issue, execute, deliver, file and record any and all agreements, documents, securities, deeds, bills of sale, conveyances, releases and instruments contemplated by the Plan or the transactions contemplated thereby in the name of and on behalf of such Reorganized Debtor and take such actions as may be necessary or appropriate to effectuate and further evidence the terms and conditions of the Plan and the transactions contemplated thereby.

52. New Board. Upon the occurrence of the Effective Date, the Persons proposed to serve as members of the New Board, as identified in the Plan Supplement filed on August 18, 2009, shall automatically constitute the New Board.

53. Compensation Programs. The entry of this Confirmation Order constitutes authorization and approval to retain employees, officers, and directors in accordance with the Plan Supplement detailing post-emergence employee, officer and director compensation, filed on August 18, 2009.

54. Securities Laws Exemption. To the maximum extent provided by Section 1145 of the Bankruptcy Code and applicable non-bankruptcy law, including Section 4(2) of the Securities Act, the offering, issuance and distribution under the Plan of the New Common Stock to the Plan Sponsor will be exempt from registration under the Securities Act and all rules and regulations promulgated thereunder and any state or local law requiring registration prior to the offering, issuance, distribution or sale of

securities, except for any restrictions set forth in section 1145(b) of the Bankruptcy Code and any restrictions contained in the Plan. To the maximum extent provided by Section 1145 of the Bankruptcy Code, the New Common Stock is deemed to have been issued in a public offering under the Securities Act and is freely tradable by the recipient thereof without registration under the Securities Act pursuant to the exemption provided by section 4(1) of the Securities Act.

55. Distributions Under the Plan. All distributions under the Plan shall be made in accordance with Article 7 of the Plan.

56. Unclaimed Distributions. All distributions under the Plan that remain unclaimed for one year after the relevant Distribution Date shall indefeasibly revert to Reorganized Frontier Holdings. Upon such reversion, the relevant Allowed Claim (and any Claim on account of missed distributions) shall be automatically discharged and forever barred, notwithstanding any federal or state escheat laws or regulations to the contrary.

57. Disputed Claims. The provisions of Article 9 of the Plan, including, without limitation, the provisions governing procedures for resolving Disputed Claims, are fair and reasonable and are approved. The Debtors are hereby ordered to comply with those procedures in establishing the Disputed Claims Reserve called for by the Plan, including the establishment of an escrow account (the “**Escrow Account**”) in connection therewith. The Escrow Account shall be bonded as requested by the U.S. Trustee and such bond shall not be withdrawn prior to the date 30 calendar days after written notice of termination has been given to the U.S. Trustee. The Debtors have developed procedures for determining the amount of the Disputed Claims Reserve. In substance, those procedures provide:

(a) With respect to all Disputed General Unsecured Claims filed in a liquidated amount, the portion of the Class 3 Allocation to be initially allocated to the Disputed Claims Reserve on account of such Claims shall be equal to the amount potentially distributable if all

such Claims were Allowed in full, unless otherwise agreed by the Debtors and the relevant holder of a Disputed General Unsecured Claim.

(b) With respect to all Disputed General Unsecured Claims filed in unliquidated amounts, unless otherwise agreed by the Debtors and the relevant holder of a Disputed General Unsecured Claim, the Debtors will, solely for purposes of this initial allocation to the Disputed Claims Reserve, reasonably estimate the amount (including a reasonable reserve amount), if any, for such Claims based on the Debtors' good faith analysis of the amount that may be Allowed when the allowance or disallowance of each such Claim is ultimately determined.

(c) For purposes of the immediately preceding two paragraphs, only General Unsecured Claims filed as of September 1, 2009 that are Disputed Claims at the time such estimations are made shall be considered.

(d) The Debtors will consult with the Creditors' Committee in connection with determinations to be made regarding allocations to the Disputed Claims Reserve.

(e) Notwithstanding the foregoing, but subject to the immediately preceding paragraph, the Debtors shall retain all rights with respect to all claims, including, without limitation, (i) the right to request estimation of any Disputed Claim and the right to request authority from the Bankruptcy Court to allocate to the Disputed Claims Reserve less than 100% of the amount potentially distributable on account of a Disputed Claim and (ii) the right to agree with the holder of a Disputed Claim to allocate to the Disputed Claims Reserve less than 100% of the amount potentially distributable on account of a Disputed Claim.

(f) To the extent a Disputed Claim ceases to be Disputed after the initial calculation of the Disputed Claims Reserve is made, the Debtors will adjust the portion of the Class 3 Allocation to be allocated to the Disputed Claims Reserve accordingly.

(g) The procedures set forth herein may be revised by the Debtors after consultation with the Creditors' Committee or the Post-Effective Date Committee, if then in existence.

58. Other Administrative Claim Bar Date. All requests for payment of Other Administrative Claims that accrued on or before the Effective Date (other than Professional Fee Claims) must be filed with the Claims Agent and served on counsel for the Debtors by the Other Administrative Claim Bar Date. Any requests for payment of Other Administrative Claims that are not properly filed and served by the Other Administrative Claim Bar Date shall not appear on the register of claims maintained by the Claims Agent and shall be disallowed automatically without the need for any objection from the Debtors or the Reorganized Debtors or any action by the Bankruptcy Court. Notwithstanding the foregoing, requests for payment of Other Administrative Claims need not be filed with respect to Other Administrative Claims that (a) are for goods and services provided to the Debtors in the ordinary course of the Debtors' businesses (and are not past due), (b) previously have been Allowed by Final Order of the Bankruptcy Court (including the DIP Order), (c) are for personal injury or wrongful death, (d) are for Cure amounts, (e) are on account of post-petition taxes (including any related penalties or interest) owed by the Debtors or the Reorganized Debtors to any governmental unit (as defined in section 101(27) of the Bankruptcy Code) or (f) the Debtors or the Reorganized Debtors have otherwise agreed in writing do not require such a filing.

59. Approval of Assumption or Rejection of Executory Contracts. Entry of this Confirmation Order shall, subject only to the occurrence of the Effective Date, constitute the approval, (a) pursuant to sections 365(a) and 1123(b)(2) of the Bankruptcy Code, of the assumption of the executory contracts and unexpired leases assumed pursuant to Article 10 of the Plan, (b) pursuant to sections 365(a) and 1123(b)(2) of the Bankruptcy Code, of the assumption and assignment of the executory contracts and unexpired leases assumed and assigned pursuant to Article 10 of the Plan and



(c) pursuant to section 365(a) and 1123(b)(2) of the Bankruptcy Code, of the rejection of the executory contracts and unexpired leases rejected pursuant to Article 10 of the Plan.

60. Inclusiveness. Unless otherwise specified on a schedule to the Plan or a notice sent to a given party, each executory contract and unexpired lease listed or to be listed thereon shall include any and all modifications, amendments, supplements, restatements and other agreements made directly or indirectly by any agreement, instrument or other document that in any manner affects such executory contract or unexpired lease, without regard to whether such agreement, instrument or other document is listed thereon.

61. Notice of Assumption and Rejection of Executory Contracts and Unexpired Leases Assumed Under the Plan. The filing of the Plan and the schedules thereto and the publication of notice of the entry of this Confirmation Order provide adequate notice of the assumption, assumption and assignment and rejection of executory contracts and unexpired leases pursuant to Article 10 of the Plan (both for contracts and leases that appear on any of those schedules and for contracts and leases assumed or rejected by category or default).

62. Cure of Defaults. The parties to each executory contract and unexpired lease to be assumed or assumed and assigned pursuant to the Plan were afforded good and sufficient notice of such assumption or assumption and assignment and an opportunity to object and be heard. Treatment Objections shall be resolved consistent with Section 10.5(c) of the Plan. Consistent with Section 10.5(d) of the Plan, if a Treatment Objection is filed with respect to any executory contract or unexpired lease sought to be assumed or rejected by any of the Debtors or Reorganized Debtors, the Debtors and the Reorganized Debtors reserve the right (a) to seek to assume or reject such agreement at any time before the assumption, rejection, assignment or Cure with respect to such agreement is determined by Final Order and (b) to the extent a Final Order is entered resolving a dispute as to Cure or the permissibility of assignment (but not approving the assumption of the executory contract or unexpired lease sought to be

assumed), to seek to reject such agreement within 14 calendar days after the date of such Final Order, in each case by filing with the Bankruptcy Court and serving upon the applicable Assumption Party or Rejection Party, as the case may be, a Notice of Intent to Assume or Reject.

63. Treatment Objection Deadline. With respect to an executory contract or unexpired lease sought to be assumed, rejected or deferred pursuant to the Plan, the Treatment Objection Deadline shall be the deadline for filing and serving a Treatment Objection, which deadline shall be 4:00 p.m. (prevailing Eastern Time) on, (a) with respect to an executory contract or unexpired lease listed on Schedule 10.2(a) or 10.2(b), the 15th calendar day after the relevant schedule is filed and notice thereof is mailed, (b) with respect to an executory contract or unexpired lease the proposed treatment of which has been altered by an amended or supplemental Schedule 10.2(a) or 10.2(b), the 15th calendar day after such amended or supplemental schedule is filed and notice thereof is mailed, (c) with respect to an executory contract or unexpired lease for which a Notice of Intent to Assume or Reject is filed, the 15th calendar day after such notice is filed and notice thereof is mailed and (d) with respect to any other executory contract or unexpired lease, including any to be assumed or rejected by category pursuant to Sections 10.1, 10.3 or 10.4 of the Plan (without being listed on Schedule 10.2(a) or 10.2(b)), the deadline for objections to Confirmation of the Plan established pursuant to the Approval Order or other order of the Bankruptcy Court.

64. Rejection Claims and Rejection Bar Date. Any Rejection Claim must be filed with the Claims Agent by the Rejection Bar Date. Any Rejection Claim for which a Proof of Claim is not properly filed and served by such deadline shall be forever barred and shall not be enforceable against the Debtors, the Reorganized Debtors or their respective Estates or properties. The Debtors or Reorganized Debtors and the Post-Effective Date Committee may contest Rejection Claims in accordance with, and to the extent provided by, Section 9.1 of the Plan.

65. Adequate Assurance for Counterparties to Executory Contracts Assumed Under the Plan.

Subject only to the occurrence of the Effective Date, all counterparties to all executory contracts and unexpired leases of the Debtors assumed and assigned in accordance with Article 10 of the Plan are deemed to have been provided with adequate assurance of future performance pursuant to section 365(f) of the Bankruptcy Code.

66. Secured Aircraft Financing. Nothing in the Plan or in this Confirmation Order shall affect the enforceability of any security interests or liens granted pursuant to (i) the post-petition aircraft option agreements entered into between the Debtors and Bombardier Inc. pursuant to the August 21, 2008 order of the Bankruptcy Court or (ii) the secured aircraft financing arrangement entered into by the Debtors pursuant to the July 13, 2009 order of the Bankruptcy Court.

67. Operation as of the Effective Date. As of the Effective Date, unless otherwise provided in the Plan or this Confirmation Order, the Reorganized Debtors may operate their businesses and may use, acquire and dispose of property and settle and compromise Claims and Interests without supervision or approval by the Bankruptcy Court and free of any restrictions of the Bankruptcy Code or the Bankruptcy Rules and in all respects as if there were no pending cases under any chapter or provision of the Bankruptcy Code.

68. Discharge of Claims and Termination of Interests. Except as otherwise specifically provided herein or in the Plan, the rights afforded in the Plan and the payments and distributions to be made hereunder shall discharge all existing debts and Claims, and shall terminate all Interests of any kind, nature or description whatsoever against or in the Debtors or any of their assets or properties to the fullest extent permitted by section 1141 of the Bankruptcy Code. Except as otherwise specifically provided herein or in the Plan, upon the Effective Date, all existing Claims against the Debtors and Interests in the Debtors shall be, and shall be deemed to be, discharged and terminated, and all holders of Claims and Interests (and all representatives, trustees or agents on behalf of each holder) shall be

precluded and enjoined from asserting against the Reorganized Debtors, their successors or assignees, or any of their assets or properties, any other or further Claim or Interest based upon any act or omission, transaction or other activity of any kind or nature that occurred prior to the Effective Date, whether or not such holder has filed a Proof of Claim and whether or not the facts or legal bases therefor were known or existed prior to the Effective Date.

69. Discharge of Debtors. Upon the Effective Date and in consideration of the distributions to be made under the Plan, except as otherwise provided herein or in the Plan, each holder (as well as any representatives, trustees or agents on behalf of each holder) of a Claim or Interest and any Affiliate of such holder is deemed to have forever waived, released and discharged the Debtors, to the fullest extent permitted by section 1141 of the Bankruptcy Code, of and from any and all Claims, Interests, rights and liabilities that arose prior to the Effective Date. Upon the Effective Date, all such persons are forever precluded and enjoined, pursuant to section 524 of the Bankruptcy Code, from prosecuting or asserting any such discharged Claim against or terminated Interest in the Debtors.

70. Injunction. Except as otherwise expressly provided herein or in the Plan, all persons or entities who have held, hold or may hold Claims or Interests and all other parties-in-interest, along with their respective present or former employees, agents, members, partners, officers, directors, principals, representatives and Affiliates, are permanently enjoined, from and after the Effective Date, from (a) commencing or continuing in any manner any action or other proceeding of any kind with respect to any such Claim (including, without limitation, a Securities Litigation Claim) or Interest against the Debtors, the Reorganized Debtors or property or interest in property of any Debtor or Reorganized Debtor, other than to enforce any right to a distribution pursuant to the Plan, (b) the enforcement, attachment, collection or recovery by any manner or means of any judgment, award, decree or order against the Debtors, the Reorganized Debtors or property or interest in property of any Debtor or Reorganized Debtor, other than to enforce any right to a distribution pursuant to the Plan, (c) creating, perfecting or

enforcing any Lien or encumbrance of any kind against the Debtors or Reorganized Debtors or against the property or interests in property of any Debtor or Reorganized Debtor, other than to enforce any right to a distribution pursuant to the Plan or (d) asserting any right of setoff, subrogation or recoupment of any kind against any obligation due from the Debtors or Reorganized Debtors or against the property or interests in property of any Debtor or Reorganized Debtor, with respect to any such Claim or Interest.

71. Term of Injunction or Stay. Unless otherwise provided in the Plan, any injunction or stay arising under or entered during the Chapter 11 Cases under sections 105 or 362 of the Bankruptcy Code or otherwise that is in existence on the Confirmation Date shall remain in full force and effect until the later of the Effective Date and the date indicated in the order providing for such injunction or stay.

72. Exculpation. As provided for in Section 12.5 of the Plan, as of the Effective Date, none of the Debtors, the Reorganized Debtors, the Creditors' Committee, the DIP Agent, the DIP Lenders, the Plan Sponsor, the Indenture Trustee, the FAPA Released Parties, the TWU Released Parties, the IBT Released Parties or any of their respective Affiliates, members, officers, directors, employees, advisors, actuaries, accountants, attorneys, financial advisors, investment bankers, consultants, professionals or agents, shall have or incur any liability to any holder of a Claim or Interest for any act or omission in connection with, related to or arising out of, the Chapter 11 Cases, the negotiation of any settlement or agreement in the Chapter 11 Cases, the pursuit of confirmation of the Plan, the consummation of the Plan, the preparation and distribution of the Disclosure Statement, the offer, issuance and distribution of any securities issued or to be issued pursuant to the Plan or the administration of the Plan or the property to be distributed under the Plan. Nothing in this Confirmation Order or the Plan shall (i) be construed to exculpate any Released Party from intentional fraud, gross negligence, willful misconduct, intentional criminal conduct, intentional misuse of confidential information that causes damages, or ultra vires acts or (ii) limit the liability of the professionals of the Debtors, the Reorganized Debtors, the Creditors'

Committee, and the Indenture Trustee, to their respective clients pursuant to N.Y. Comp. Codes R. & Regs. tit. 22 § 1200.8 Rule 1.8(h)(1) (2009).

73. Nothing in this Confirmation Order or the Plan shall effect a release of any claim by the United States or any of its agencies arising under the Internal Revenue Code, the environmental laws or any criminal laws of the United States against the Released Parties, nor shall anything in the Confirmation Order or the Plan enjoin the United States from bringing any claim, suit, action or other proceedings against the Released Parties for any liability for any claim, suit or action arising under the Internal Revenue Code, the environmental laws or any criminal laws of the United States, nor shall anything in the Confirmation Order or the Plan exculpate any such party from any liability to the United States or any of its agencies, arising under the Internal Revenue Code, the environmental laws or any criminal laws of the United States.

74. Release by the Debtors. As provided for in Section 12.6 of the Plan, as of the Effective Date, the Debtors, their Estates and the Reorganized Debtors release all of the Released Parties from any and all Causes of Action (other than the rights of the Debtors or the Reorganized Debtors to enforce applicable post-petition agreements (including, without limitation, settlement agreements), any order entered in the Chapter 11 Cases, the Plan and the Plan Documents including contracts, instruments, releases, indentures and other agreements or documents delivered thereunder) held by or assertable on behalf of or derivative from the Debtors, whether known or unknown, foreseen or unforeseen, existing or hereafter arising, in law, equity or otherwise, based on or relating to or in any manner arising from, in whole or in part, the Debtors, the Debtors' restructuring, the Chapter 11 Cases, the purchase, sale or rescission of the purchase or sale of any security of the Debtors, the subject matter of, or the transactions or events giving rise to, any Claim or Interest that is treated in the Plan, the business or contractual arrangements between any Debtor, any Released Party, the restructuring of Claims and Interests prior to or in the Chapter 11 Cases, the negotiation, formulation or preparation of the Plan and Disclosure

Statement, or related agreements, instruments or other documents, which Causes of Action are based in whole or in part on any act, omission, transaction, event or other occurrence (except for willful misconduct, ultra vires acts, or gross negligence) taking place before the Effective Date.

Notwithstanding the foregoing, if any Released Party directly or indirectly brings or asserts any Claim or Cause of Action in any way arising out of or related to any document or transaction that was in existence prior to the Effective Date against the Debtors, the Reorganized Debtors or any of their respective Affiliates, officers, directors, members, employees, advisors, actuaries, attorneys, financial advisors, investment bankers, professionals or agents, then the release set forth in Section 12.6 of the Plan (but not any release or indemnification or any other rights or claims granted under any other section of the Plan or under any other document or agreement) shall automatically and retroactively be null and void *ab initio* with respect to such Released Party; *provided, however*, that the immediately preceding clause shall not apply to the prosecution in this Court (or any appeal therefrom) of the amount, priority or secured status of any pre-petition Claim against the Debtors.

75. Voluntary Releases by the Holders of Claims and Interests. As provided for in Section 12.7 of the Plan, for good and valuable consideration, on and after the Effective Date, holders of Claims that (a) voted to accept or reject the Plan and (b) did not elect (as permitted on the Ballots) to opt out of the releases described in this paragraph, shall be deemed to have conclusively, absolutely, unconditionally, irrevocably and forever, released and discharged the Released Parties from any and all Causes of Action whatsoever, including derivative Claims asserted on behalf of a Debtor, whether known or unknown, foreseen or unforeseen, existing or hereafter arising, in law, equity or otherwise, based on or relating to, or in any manner arising from, in whole or in part, the Debtors, the Debtors' restructuring, the Chapter 11 Cases, the purchase, sale or rescission of the purchase or sale of any security of the Debtors, the subject matter of, or the transactions or events giving rise to, any Claim or Interest that is treated in the Plan, the business or contractual arrangements between any Debtor and any

Released Party relating to the restructuring of Claims and Interests prior to or in the Chapter 11 Cases, the negotiation, formulation or preparation of the Plan and Disclosure Statement, or related agreements, instruments or other documents, which Causes of Action are based in whole or in part on any act, omission, transaction, event or other occurrence (except for willful misconduct, ultra vires acts, or gross negligence) taking place before the Effective Date. The vote or election of a trustee or other agent under this paragraph acting on behalf of or at the direction of a holder of a Claim shall bind such holder to the same extent as if such holder had itself voted or made such election. A holder of a Claim who did not cast a Ballot or who was not entitled to cast a Ballot will be deemed to have opted out of the releases set forth in this paragraph.

76. Preservations of Causes of Action.

(a) Except as expressly provided in Article 12 of the Plan, nothing contained in the Plan or the Confirmation Order shall be deemed to be a waiver or relinquishment of any rights or Causes of Action that the Debtors or the Reorganized Debtors may have, or that the Reorganized Debtors may choose to assert on behalf of their respective Estates, under any provision of the Bankruptcy Code or any applicable non-bankruptcy law, including, without limitation, (i) any and all Causes of Action or Claims against any person or entity, to the extent such person or entity asserts a crossclaim, counterclaim and/or claim for setoff that seeks affirmative relief against the Debtors, the Reorganized Debtors, their officers, directors or representatives or (ii) the turnover of any property of the Debtors' Estates. A non-exclusive list of retained Causes of Action is attached to the Plan as Schedule 12.10, which was filed on August 18, 2009.

(b) Except as set forth in Article 12 of the Plan, nothing contained in the Plan or the Confirmation Order shall be deemed to be a waiver or relinquishment of any rights or Causes of Action that the Debtors had immediately prior to the Petition Date or the Effective Date against or with respect to any Claim left Unimpaired by the Plan. The Reorganized Debtors shall have,



retain, reserve and be entitled to assert all such rights and Causes of Action as fully as if the Chapter 11 Cases had not been commenced, and all of the Reorganized Debtors' legal and equitable rights respecting any Claim left Unimpaired by the Plan may be asserted after the Confirmation Date to the same extent as if the Chapter 11 Cases had not been commenced.

77. Retention of Jurisdiction. In accordance with (and as limited by) Article 15 of the Plan and section 1142 of the Bankruptcy Code, this Court shall have exclusive jurisdiction of all matters arising out of and related to the Chapter 11 Cases and the Plan pursuant to, and for the purposes of, sections 105(a) and 1142 of the Bankruptcy Code and for, among other things, the following purposes:

- (a) To hear and determine all matters with respect to the assumption or rejection of executory contracts or unexpired leases and the allowance of Cure amounts and Claims resulting therefrom;
- (b) To hear and determine any motion, adversary proceeding, application, contested matter or other litigated matter pending on or commenced after the Confirmation Date;
- (c) To hear and determine all matters with respect to the allowance, disallowance, liquidation, classification, priority or estimation of any Claim;
- (d) To ensure that distributions to holders of Allowed Claims are accomplished as provided in the Plan;
- (e) To hear and determine all applications for compensation and reimbursement of Professional Fee Claims;
- (f) To hear and determine any application to modify the Plan in accordance with section 1127 of the Bankruptcy Code, to remedy any defect or omission or reconcile any inconsistency in the Plan, the Disclosure Statement or any order of the Bankruptcy Court, including this Confirmation Order, in such a manner as may be necessary to carry out the purposes and effects thereof;

(g) To hear and determine disputes arising in connection with the interpretation, implementation or enforcement of the Plan, this Confirmation Order, any transactions or payments contemplated hereby or any agreement, instrument or other document governing or relating to any of the foregoing;

(h) To issue injunctions, enter and implement other orders and take such other actions as may be necessary or appropriate to restrain interference by any person with the consummation, implementation or enforcement of the Plan, this Confirmation Order or any other order of the Bankruptcy Court;

(i) To issue such orders as may be necessary to construe, enforce, implement, execute, and consummate the Plan;

(j) To enter, implement or enforce such orders as may be appropriate in the event that this Confirmation Order is for any reason stayed, reversed, revoked, modified or vacated;

(k) To hear and determine matters concerning state, local and federal taxes in accordance with sections 346, 505 and 1146 of the Bankruptcy Code (including the expedited determination of tax under section 505(b) of the Bankruptcy Code);

(l) To hear and determine any other matters related to the Plan and not inconsistent with the Bankruptcy Code;

(m) To determine any other matters that may arise in connection with or are related to the Plan, the Disclosure Statement, the Approval Order, this Confirmation Order, any of the Plan Documents or any other contract, instrument, release or other agreement or document related to the Plan, the Disclosure Statement or the Plan Supplements;

(n) To recover all assets of the Debtors and property of the Debtors' Estates, wherever located;

(o) To hear and determine all disputes involving the existence, nature or scope of the Debtors' discharge, including any dispute relating to any liability arising out of the termination of employment or the termination of any employee or retiree benefit program, regardless of whether such termination occurred prior to or after the Effective Date;

(p) To hear and determine any rights, Claims or Causes of Action held by or accruing to the Debtors or the Reorganized Debtors pursuant to the Bankruptcy Code or pursuant to any federal or state statute or legal theory;

(q) To enforce all orders, judgments, injunctions, releases, exculpations, indemnifications and rulings entered in connection with the Chapter 11 Cases with respect to any Person;

(r) To hear and determine any disputes arising in connection with the interpretation, implementation or enforcement of any new or renegotiated agreement (including leases, subleases, security agreements and mortgages and any amendments, modifications or supplements of or to any lease, sublease, security agreement or mortgage and such leases, subleases, security agreements or mortgages as so amended, modified or supplemented, and any agreement settling or providing for any claims or otherwise addressing any matters relating to any lease, sublease security agreement or mortgage or any amendment modification or supplement of or to any lease, sublease, security agreement or mortgage) entered into after the Petition Date by the Debtors relating to an aircraft, aircraft engine, propeller, appliance or spare part (as each of these terms is defined in section 40102 of title 49 of the United States Code), including all records and documents relating to such equipment that are required under the terms of any applicable security agreement, lease or conditional sale contract to be surrendered or returned in connection with the surrender or return of such equipment, that is leased to, subject to a security interest granted by or conditionally sold to one of the Debtors;

- (s) To hear any other matter not inconsistent with the Bankruptcy Code; and
- (t) To enter a final decree closing the Chapter 11 Cases.

78. Post-Effective Date Committee. As provided in Section 16.4 of the Plan, as of the Effective Date, there shall be created the Post-Effective Date Committee, which shall be subject to the jurisdiction of the Court. The Post-Effective Date Committee's rights and powers shall be strictly limited as set forth in Section 9.2 of the Plan. Unless the Post-Effective Date Committee votes to disband earlier, the existence of the Post-Effective Date Committee, and all powers associated therewith, shall terminate on the earlier of (i) the date on which the Reorganized Debtors reasonably estimate that there are no remaining Disputed General Unsecured Claims that will ultimately be Allowed in an amount exceeding \$500,000 and (ii) the date on which the Reorganized Debtors shall have paid or reimbursed the Post-Effective Date Committee, its members and its professionals in an aggregate amount equal to the Post-Effective Date Committee Expense Cap.

79. Enforceability of Plan Documents. Pursuant to sections 1123(a) and 1142(a) of the Bankruptcy Code and the provisions of this Confirmation Order, the Plan and all Plan-related documents shall apply and be enforceable notwithstanding any otherwise applicable nonbankruptcy law.

80. Ownership and Control. The consummation of the Plan shall not, unless the Debtors expressly agree in writing, constitute a change of ownership or change in control, as such terms are used in any statute, regulation, contract or agreement (including, but not limited to, any agreements assumed by the Debtors pursuant to the Plan or otherwise and any agreements related to employment, severance or termination agreements or insurance agreements) in effect on the Effective Date and to which any of the Debtors is a party.

81. Exemption from Transfer Taxes and Recording Fees. Pursuant to section 1146(a) of the Bankruptcy Code, none of the issuance, Transfer or exchange of notes or equity securities under the Plan, the creation, filing or recording of any mortgage, deed of trust or other security interest, the

making, assignment, filing or recording of any lease or sublease, the transfer of title to or ownership of any of the Debtors' interests in any property, including aircraft, aircraft equipment or spare parts, or the making or delivery of any deed, bill of sale or other instrument of transfer under, in furtherance of, or in connection with the Plan, including, without limitation, the New Common Stock or agreements of consolidation, deeds, bills of sale or assignments executed in connection with any of the transactions contemplated under the Plan, shall be subject to any document recording tax, stamp tax, conveyance fee, intangibles or similar tax, mortgage tax, stamp act, real estate transfer tax, mortgage recording tax, Uniform Commercial Code filing or recording fee, Cape Town filing or recording fee, FAA filing or recording fee or other similar tax or governmental assessment in the United States. All sale transactions consummated by the Debtors and approved by the Court including, without limitation, the transfers effectuated under the Plan, the sale by the Debtors of owned property or assets pursuant to section 363(b) of the Bankruptcy Code or pursuant to any Post-Petition Aircraft Agreement, and the assumption, assignment and sale by the Debtors of unexpired leases of non-residential real property pursuant to section 365(a) of the Bankruptcy Code, are deemed to have been made under, in furtherance of, or in connection with the Plan and, therefore, shall not be subject to any document recording tax, stamp tax, conveyance fee, intangibles or similar tax, mortgage tax, stamp act, real estate transfer tax, mortgage recording tax, Uniform Commercial Code filing or recording fee, Cape Town filing or recording fee, FAA filing or recording fee or other similar tax or governmental assessment in the United States. The appropriate federal, state and local governmental officials and agents are hereby directed to forego 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.

82. Effectiveness of All Actions. All actions authorized to be taken pursuant to the Plan shall be effective on, prior to or after the Effective Date pursuant to this Confirmation Order, without further

application to, or order of the Court, or further action by the respective officers, directors, members or stockholders of Reorganized Frontier Holdings or the other Reorganized Debtors and with the effect that such actions had been taken by unanimous action of such officers, directors, members or stockholders.

83. Approval of Consents. This Confirmation Order shall constitute all approvals and consents required, if any, by the laws, rules and regulations of all states and any other governmental authority with respect to the implementation or consummation of the Plan and any documents, instruments, or agreements, and any amendments or modifications thereto, and any other acts and transactions referred to in or contemplated by the Plan, the Plan Supplements, the Disclosure Statement, the Plan Supplements, and any documents, instruments or agreements, and any amendments or modifications thereto.

84. Payment of Professionals. Upon the Effective Date, any requirement that Professionals comply with sections 327 through 331 of the Bankruptcy Code in seeking retention or compensation for services rendered after such date shall terminate, and the Reorganized Debtors may employ and pay all Professionals in the ordinary course of business (including with respect to the month in which the Effective Date occurs) without any further notice to, action by or order or approval of this Court or any other party. Professionals shall be paid pursuant to the “Monthly Statement” process set forth in the Interim Compensation Order with respect to all calendar months ending prior to the Effective Date.

85. Dissolution of Statutory Committees. Upon the Effective Date, the Creditors’ Committee and all other statutory committees appointed in the Chapter 11 Cases shall dissolve automatically, and their members shall be released and discharged from all rights, duties, responsibilities and liabilities arising from, or related to, the Chapter 11 Cases and under the Bankruptcy Code.

86. Insurance Neutrality. Nothing contained in the Plan, the Disclosure Statement, the Confirmation Order, any exhibit to the Plan, the Plan Supplements or any other Plan Document (including any provision that purports to be peremptory or supervening) shall in any way operate to, or

have the effect of, impairing in any respect the legal, equitable or contractual rights and defenses of the insureds and insurers with respect to any insurance policies issued to the Debtors by ACE American Insurance Company and its affiliated insurers (collectively “ACE”) and the related agreements (“ACE Policies and Agreements”). The rights and obligations of the insureds and insurers under the ACE Policies and Agreements shall be determined under such policies and related agreements, including the terms, conditions, limitations, exclusions and endorsements thereof. ACE reserves all of its rights and defenses under the ACE Policies and Agreements and applicable non-bankruptcy law, including any defenses to coverage. The Reorganized Debtors shall not seek to avoid performance under the ACE Policies and Agreements based on any argument that the Reorganized Debtors are not the Debtors.

87. Disclosure: Agreements and Other Documents. The Debtors have disclosed all material facts regarding: (a) the New Certificate of Incorporation, New Bylaws or similar constituent documents, (b) the selection of directors and officers for the Reorganized Debtors, (c) the Restructuring Transactions, (d) the distribution of Cash, (e) the New Common Stock, (f) the other matters provided for under the Plan involving corporate action to be taken by or required of the Reorganized Debtors, and (g) all contracts, leases, instruments, releases, indentures and other agreements related to any of the foregoing.

88. Binding Effect. The Plan shall be binding upon and inure to the benefit of the Debtors, the Reorganized Debtors, all present and former holders of Claims or Interests and their respective heirs, executors, administrators, successors and assigns.

89. Governing Law. Except to the extent that the Bankruptcy Code, Bankruptcy Rules or other federal law is applicable, or to the extent an exhibit to the Plan or a schedule or Plan Document provides otherwise, the rights, duties and obligations arising under the Plan shall be governed by, and construed and enforced in accordance with, the laws of the State of New York, without giving effect to the principles of conflict of laws thereof.

90. Notice of Entry of Confirmation Order and Effective Date. Pursuant to Bankruptcy Rules 2002(f)(7), 2002(k) and 3020(c), the Reorganized Debtors shall file and serve notice of entry of this Confirmation Order and Effective Date in substantially the form annexed hereto as Exhibit B (the “**Notice of Confirmation**”) on all holders of Claims and Interests, the United States Trustee for the Southern District of New York, the attorneys for the Creditors’ Committee and other parties-in-interest by causing the Notice of Confirmation to be delivered to such parties by first-class mail, postage prepaid, within 10 business days after the Effective Date. The Notice of Confirmation shall also be published in *The Wall Street Journal, National Edition*, and posted on the Debtors’ case information website (located at [www.frontier-restructuring.com](http://www.frontier-restructuring.com)). Such notice is adequate under the particular circumstances and no other or further notice is necessary. A Notice of Confirmation substantially in the form annexed hereto as Exhibit B is approved. Such Notice of Confirmation shall also serve as the notice setting forth the Other Administrative Claim Bar Date required by section 8.2 of the Plan and as the notice of the Effective Date.

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

92. References to Plan Provisions. The failure to include or specifically describe or reference any particular provision of the Plan in this Confirmation Order shall not diminish or impair the effectiveness of such provision, it being the intent of the Court that the Plan be approved and confirmed in its entirety.

93. Findings of Fact. The determinations, findings, judgments, decrees and orders set forth and incorporated herein constitute this Court’s findings of fact and conclusions of law pursuant to Bankruptcy Rule 7052, made applicable to this proceeding pursuant to Bankruptcy Rule 9014. Each finding of fact set forth or incorporated herein, to the extent it is or may be deemed a conclusion of law,



shall also constitute a conclusion of law. Each conclusion of law set forth or incorporated herein, to the extent it is or may be deemed a finding of fact, shall also constitute a finding of fact.

94. Conflicts Between Confirmation Order and Plan. The provisions of the Plan and of this Confirmation Order shall be construed in a manner consistent with each other so as to effect the purposes of each; *provided, however*, that if there is determined to be any inconsistency between any Plan provision and any provision of this Confirmation Order that cannot be so reconciled, then, solely to the extent of such inconsistency, the provisions of this Confirmation Order shall govern and any such provision of this Confirmation Order shall be deemed a modification of the Plan and shall control and take precedence; *provided, further*, that nothing herein shall affect the enforceability of any security interests or liens granted pursuant to (i) the post-petition option aircraft agreements entered into between the Debtors and Bombardier Inc. pursuant to the August 21, 2008 order of the Bankruptcy Court or (ii) the secured aircraft financing arrangement entered into by the Debtors pursuant to the July 13, 2009 order of the Bankruptcy Court.

95. Final Order. This Confirmation Order is a final order and the period in which an appeal must be filed shall commence upon the entry hereof.

Dated: September 10, 2009  
New York, New York

/s/Robert D. Drain

The Honorable Robert D. Drain  
UNITED STATES BANKRUPTCY JUDGE