

# **Exhibit B**

**UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK**

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**In re:** :  
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**FRONTIER AIRLINES** : **Chapter 11 Case No.**  
:  
**HOLDINGS, INC., et al.,** : **08-11298 (RDD)**  
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:  
**Debtors.**<sup>1</sup> : **(Jointly Administered)**  
:  
:  
----- X

**DEBTORS' JOINT PLAN OF REORGANIZATION UNDER  
CHAPTER 11 OF THE BANKRUPTCY CODE**

DAVIS POLK & WARDWELL LLP  
450 Lexington Avenue  
New York, New York 10017  
Telephone: (212) 450-4000  
Facsimile: (212) ~~450-6504~~[701-7501](tel:2127017501)  
Marshall S. Huebner  
Timothy E. Graulich  
Damian S. Schaible  
Darren S. Klein

*Counsel to the Debtors  
and Debtors in Possession*

Dated: ~~July 22,~~[September 8,](#) 2009

<sup>1</sup> The Debtors are the following entities: Frontier Airlines Holdings, Inc.; Frontier Airlines, Inc.; and Lynx Aviation, Inc.

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## INTRODUCTION

Pursuant to section 1121(a) of the Bankruptcy Code,<sup>2</sup> the Debtors in the above-captioned jointly administered Chapter 11 Cases respectfully propose this Plan. The Debtors are the proponents of this Plan under section 1129 of the Bankruptcy Code.

A complete list of the Debtors is set forth below. The list identifies each Debtor by its jurisdiction of organization and case number in these Chapter 11 Cases.

<b><u>Debtor</u></b>	<b><u>Jurisdiction</u></b>	<b><u>Case Number</u></b>
Frontier Airlines, Inc.	Colorado	08-11297
Frontier Airlines Holdings, Inc.	Delaware	08-11298
Lynx Aviation, Inc.	Colorado	08-11299

This Plan contemplates the reorganization of the Debtors and the resolution of all outstanding Claims against and Interests in the Debtors.

Contemporaneously with the Debtors' filing of the Motion for Entry of Order (i) Approving 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 and (vii) Establishing Notice and Objection Procedures, the Debtors ~~have also~~ filed the Investment Agreement Motion, which ~~seeks~~sought Bankruptcy Court approval of [a previous version of the Investment Agreement](#), subject to the Debtors<sup>2</sup> receiving any higher or otherwise better bids, and related auction procedures. ~~If the Bankruptcy Court approves the Investment Agreement, then, subject to the terms and conditions thereof and so long as the Debtors do not receive any higher or otherwise better bids, Republic, as the Plan Sponsor under the Investment Agreement, will purchase the New Common Stock for the Share Purchase Price, and Reorganized Frontier Holdings will become a wholly owned subsidiary of Republic.~~

[On July 14, 2009, the Court entered the Investment Agreement Order, which granted the relief sought by the Debtors in the Investment Agreement Motion. Pursuant to the Investment Agreement Order, the Debtors solicited alternative proposals from a variety of other potential investors, and on or about July 30, 2009, a potential alternative investor submitted a preliminary, non-binding proposal. Pursuant to the Investment Agreement Order, the Debtors provided extensive due diligence materials to both bidders and negotiated with both, seeking to improve the terms of each proposal.](#)

[The potential alternative investor submitted a binding bid to purchase the stock of Reorganized Frontier Holdings and on August 13, 2009, the Debtors conducted an auction. At the conclusion of the auction, in consultation with the Creditors' Committee, the Debtors](#)

<sup>2</sup> Capitalized terms used and not otherwise defined herein shall have the meanings ascribed to them in Section 1.1 of this Plan.

announced that Republic's Investment Agreement was the highest and otherwise best proposal and designated Republic the "Successful Investor" as defined in the Investment Agreement Order. Pursuant to the terms of the Investment Agreement, Republic agreed to waive any distributions on the Republic Unsecured Claims, provided that Republic is the Plan Sponsor.

~~At the conclusion of the auction period, Subject to the provisions of this Plan and Republic's agreement to waive its distributions as set forth in the Investment Agreement Motion, should the Debtors identify an Entity other than Republic as the proposed Plan Sponsor, the Debtors will file a Plan Supplement identifying such other Entity and seek Bankruptcy Court approval of the proposed Investment Agreement among the Debtors and such other Entity. If the Bankruptcy Court approves such Investment Agreement, the Debtors will modify this Plan in accordance with such Investment Agreement and any applicable sections of the Bankruptcy Code. Thereafter, if the Debtors effectuate this Plan with the non-Republic Plan Sponsor and in certain other circumstances, in each case subject to the terms and conditions of the Investment Agreement with Republic, the Debtors shall pay Republic a termination fee of \$3,500,000 and reimburse certain of Republic's expenses, up to \$350,000. Subject to the provisions of this Plan, each Allowed General Unsecured Claim against any of the Debtors will, as a general matter, be satisfied through a pro rata Cash distribution from the Class 3 Allocation. Holders of Old Stock or of rights or Claims arising in connection therewith will receive no distribution on account of these Interests or Claims, and the Old Stock will be cancelled. Administrative Claims, Priority Tax Claims, Other Priority Claims and Secured Claims, in each case to the extent Allowed, will be Unimpaired under this Plan.~~

This Plan is premised upon the limited consolidation of the Estates of the Debtors with one another, such consolidation to be effected solely for purposes of actions associated with the Confirmation of this Plan and the occurrence of the Effective Date, including voting, Confirmation and distributions.

~~If any Impaired Class of Claims against the Debtors entitled to vote on this Plan shall not accept this Plan by the requisite statutory majority required by section 1126(e) of the Bankruptcy Code, then the Debtors may take any of the actions specified in Section 5.5 of this Plan, including proceeding to confirm the Plan under section 1129(b) of the Bankruptcy Code.~~

Pursuant to section 1125(b) of the Bankruptcy Code, votes to accept or reject a plan of reorganization cannot be solicited from holders of Claims or Interests entitled to vote on a plan of reorganization until a disclosure statement has been approved by a bankruptcy court and distributed to such holders. On July 22, 2009, the Bankruptcy Court entered the Approval Order, which, among other things, approved the Disclosure Statement, established voting procedures and scheduled the Confirmation Hearing. The Disclosure Statement contains, among other things, a discussion of the Debtors' history, businesses, properties and operations, projections for those operations, risk factors associated with the Debtors' businesses and this Plan, and a summary and analysis of this Plan and certain related matters.



**ARTICLE 1**  
**DEFINITIONS AND RULES OF INTERPRETATION**

**Section 1.1. Definitions**

Unless the context requires otherwise, the following terms used in this Plan shall have the following meanings:

1. **“Administrative Claim”** means a Claim for payment of an administrative expense of a kind specified in section 503(b) of the Bankruptcy Code and entitled to priority pursuant to section 507(a)(2) of the Bankruptcy Code, including, but not limited to DIP Facility Claims, Other Administrative Claims and Professional Fee Claims.
2. **“Affiliate”** has the meaning set forth in section 101(2) of the Bankruptcy Code.
3. **“Allowed”** means all or that portion, as applicable, of any Claim against any Debtor (i) that has been listed by the Debtors in the Schedules, as such Schedules may be amended by the Debtors from time to time, as liquidated in amount and not disputed or contingent, and for which no contrary or superseding Proof of Claim has been filed, (ii) that has been expressly allowed by Final Order or under this Plan, (iii) that has been compromised, settled or otherwise resolved pursuant to the Claims Settlement Procedures Order, another Final Order of the Bankruptcy Court or Section 9.2 of this Plan, (iv) that the Debtors do not timely object to in accordance with Section 9.1 of this Plan or (v) that is an Old Note Claim in the amount listed on Schedule 1 hereto; *provided, however*, that Claims allowed solely for the purpose of voting to accept or reject this Plan shall not be considered “Allowed Claims” for any other purpose under this Plan or otherwise, except if and to the extent otherwise determined to be Allowed as provided herein. Unless otherwise specified under this Plan, under the Bankruptcy Code ~~or~~, by order of the Bankruptcy Court or as otherwise agreed by the Debtors, Allowed Claims shall not, for any purpose under this Plan, include any interest, costs, fees or charges on such Claim from and after the Petition Date. In no event shall the First Data Claim be Allowed; such Claim, in accordance with the terms of the First Data Letter Agreement and the First Data Order, shall not be entitled to any distribution under this Plan and such Claim shall be discharged pursuant to Article 12 of this Plan.
4. **“Approval Order”** means the Order (i) Approving 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 and (vii) Establishing Notice and Objection Procedures, entered by the Bankruptcy Court on July 22, 2009 [ECF No. 945].
5. **“Assumption Effective Date”** means the date upon which the assumption of an executory contract or unexpired lease under this Plan is deemed effective, which in no

17. “**Cash**” means legal tender of the United States of America or equivalents thereof, including, without limitation, payment in such tender by check, wire transfer or any other customary payment method.
18. “**Cause of Action**” means, without limitation, any and all actions, proceedings, causes of action, controversies, liabilities, obligations, rights, rights of setoff, recoupment rights, suits, damages, judgments, accounts, defenses, offsets, powers, privileges, licenses, franchises, Claims, counterclaims, cross-claims, affirmative defenses and demands of any kind or character whatsoever, whether known or unknown, asserted or unasserted, reduced to judgment or otherwise, liquidated or unliquidated, fixed or contingent, matured or unmatured, disputed or undisputed, secured or unsecured, assertable directly or derivatively, existing or hereafter arising, in contract or in tort, in law, in equity or otherwise, based in whole or in part upon any act or omission or other event occurring prior to the Petition Date or during the course of the Chapter 11 Cases, including through the Effective Date.
19. “**Chapter 11 Cases**” means the cases under chapter 11 of the Bankruptcy Code commenced by the Debtors on the Petition Date, with case numbers as set forth in the Introduction to this Plan, that are jointly administered in the case styled *In re Frontier Airlines Holdings, Inc., et al.*, Case No. 08-11298 (RDD).
20. “**Claim**” has the meaning set forth in section 101(5) of the Bankruptcy Code.
21. “**Claims Agent**” means Epiq Bankruptcy Solutions, LLC, which is located at 757 Third Avenue, New York, NY 10017 and was retained as the Debtors’ claims agent in the Chapter 11 Cases.
22. “**Claims Objection Deadline**” means 11:59 p.m. (prevailing Eastern Time) on the 180th calendar day after the Effective Date, subject to further extensions and/or exceptions as may be ordered by the Bankruptcy Court.
23. “**Claims Objection Procedures Order**” means the Order Establishing Procedures for Claims Objections, entered by the Bankruptcy Court on January 5, 2009 [ECF No. 710].
24. “**Claims Settlement Procedures Order**” means the Order Authorizing and Approving Procedures for Compromise and Settlement of Certain Claims, Litigations and Causes of Action, entered by the Bankruptcy Court on June 23, 2008 [ECF No. 374].
25. “**Class**” means any group of Claims or Interests classified by this Plan pursuant to section 1122(a) of the Bankruptcy Code.
26. “**Class 3 Allocation**” means \$28,750,000, ~~or such higher amount, if any, that results from the auction process,~~ which is that portion of the Share Purchase Price allocated for distribution to the holders of Allowed General Unsecured Claims in accordance with this Plan and on the terms and conditions set forth in the Investment Agreement. ~~For the avoidance of doubt, for each incremental dollar of Share Purchase Price in excess of~~

~~\$108,750,000, the Class 3 Allocation shall be increased by one dollar until such incremental dollars exceed \$20,000,000. For any incremental amounts over \$20,000,000, the bids must specify the allocation between the Debtors and the Class 3 Allocation.~~

27. “**Collateral**” means any property or interest in property of the Debtors subject to a Lien to secure the payment or performance of a Claim, which Lien is not subject to avoidance and is not otherwise invalid under the Bankruptcy Code or other applicable law.
28. “**Collective Bargaining Agreements**” means (i) the agreement, effective July 27, 2005 until October 31, 2011, between Frontier and the IBT representing Aircraft Technicians, Ground Service Equipment Technicians and Tool Room Attendants (the “**IBT Maintenance Agreement**”), (ii) the agreement, effective September 27, 2007 until September 26, 2011, between Frontier and the IBT for Material Specialists (the “**IBT Material Specialist Agreement**”), (iii) the agreement, effective September 16, 2005 until September 16, 2015, between Frontier and the IBT representing the Aircraft Appearance Agents and Maintenance Cleaners (the “**IBT Appearance Agent Agreement**”), (iv) the agreement, effective September 15, 2007 until September 15, 2012, between Frontier and the Aircraft Dispatchers in the Service of Frontier Airlines, Inc. as Represented by the TWU (the “**TWU Agreement**”), (v) the agreement, effective March 2, 2007 until March 2, 2012, between Frontier and the Airline Pilots in the Service of Frontier as represented by FAPA (the “**FAPA Agreement**”), (vi) the Frontier Airlines, Inc. Pilots’ Retirement Plan and (vii) the Western Conference of Teamsters Pension Plan, in each case (i) to (vii), as amended, deemed amended, extended or otherwise modified from time to time, including by order of the Bankruptcy Court pursuant to section 1113 of the Bankruptcy Code or otherwise, and in effect as of the Effective Date.
29. “**Compensation Program**” means any post-emergence employee, officer and/or director compensation programs.
30. “**Confirmation**” means confirmation of this Plan pursuant to section 1129 of the Bankruptcy Code.
31. “**Confirmation Date**” means the date on which the Confirmation Order is entered by the Bankruptcy Court on its docket.
32. “**Confirmation Hearing**” means the hearing to be held by the Bankruptcy Court to consider confirmation of this Plan pursuant to sections 1128 and 1129 of the Bankruptcy Code, as such hearing may be adjourned or continued from time to time.
33. “**Confirmation Order**” means the order of the Bankruptcy Court to be entered pursuant to section 1129 of the Bankruptcy Code confirming this Plan.
34. “**Contingent Claim**” means any Claim, the liability for which attaches or is dependent upon the occurrence or happening of, or is triggered by, an event that has not yet occurred as of the date on which such Claim is sought to be estimated or on which an objection to such Claim is filed, whether or not such event is within the actual or

(ii) on or after the date on which the conditions to effectiveness of this Plan specified in Section 13.1 hereof have been either satisfied or waived as set forth herein.

54. **“Employee Agreement”** means any agreement (other than a Collective Bargaining Agreement or standard form documents or policies executed or acknowledged by newly hired employees) between any of the Debtors and any current or former directors, officers or employees of any of the Debtors.
55. **“Entity”** or **“entity”** means an entity as defined in section 101(15) of the Bankruptcy Code.
56. **“Escrow Account”** has the meaning set forth in Section 9.4(b) of this Plan.
57. ~~56.~~ **“Estate”** means the bankruptcy estate of each Debtor created pursuant to section 541 of the Bankruptcy Code.
58. ~~57.~~ **“Exchange Act”** means the Securities Exchange Act of 1934, as amended.
59. ~~58.~~ **“FAA”** means the Federal Aviation Administration.
60. ~~59.~~ **“FAPA”** means Frontier Airline Pilots Association.
61. ~~60.~~ **“FAPA Released Parties”** means FAPA and its current and former officers, committee members, employees, advisors, attorneys, accountants, actuaries, investment bankers, consultants, agents and other representatives.
62. ~~61.~~ **“Final Distribution Date”** means a day selected by the Reorganized Debtors in their sole discretion that is after the Initial Distribution Date and is no earlier than 20 calendar days after the date on which all Disputed General Unsecured Claims have become either Allowed Claims or Disallowed Claims.
63. ~~62.~~ **“Final Order”** means an order or judgment of the Bankruptcy Court or other court of competent jurisdiction that has not been reversed, stayed, modified or amended, and as to which the time to appeal, seek reconsideration under Rule 59(b) or 59(e) of the Federal Rules of Civil Procedure, seek a new trial, reargument or rehearing and, where applicable, petition for certiorari has expired, and no appeal, motion for reconsideration under Rule 59(b) or 59(e) of the Federal Rules of Civil Procedure, motion for a new trial, reargument or rehearing or petition for certiorari has been timely taken, or as to which any appeal that has been taken or any petition for certiorari that has been or may be filed has been resolved by the highest court to which the order or judgment was appealed or from which certiorari was sought, or as to which any motion for reconsideration that has been filed pursuant to Rule 59(b) or 59(e) of the Federal Rules of Civil Procedure or any motion for a new trial, reargument or rehearing has been resolved by the court in which such motion was filed; *provided, however*, that the possibility that a motion pursuant to Rule 60 of the Federal Rules of Civil Procedure, or any analogous rule, may be filed

relating to such order or judgment shall not cause such order or judgment not to be a Final Order.

64. ~~63.~~ **“Final Pro Rata Share”** means the ratio (expressed as a percentage) of the amount of an Allowed General Unsecured Claim to the aggregate amount of all Allowed General Unsecured Claims (excluding the Republic Unsecured Claims to the extent set forth in the Investment Agreement) as of the Final Distribution Date.
65. ~~64.~~ **“First Data”** means, collectively, Sovereign Bank and First Data Merchant Services Corporation d/b/a Sovereign Merchant Services.
66. ~~65.~~ **“First Data Letter Agreement”** means the Letter Agreement dated as of July 9, 2008 between First Data and Frontier.
67. ~~66.~~ **“First Data Claim”** means any superpriority Administrative Claim arising pursuant to the First Data Letter Agreement and/or the First Data Order.
68. ~~67.~~ **“First Data Order”** means the Order Authorizing the Debtors to Perform Under Letter Agreement with Sovereign Bank and First Data Merchant Services Corporation and Merchant Services Airline Bankcard Agreement with Sovereign Bank and First Data Merchant Services Corporation as Amended Thereby, entered by the Bankruptcy Court on July 10, 2008 [ECF No. 400].
69. ~~68.~~ **“Foreign Agreements”** means all executory contracts or unexpired leases as to which the Debtors were authorized to pay their pre-petition debts in the ordinary course of business pursuant to the Final Order Authorizing Debtors to (i) Pay Prepetition Obligations Owed to Foreign Creditors and (ii) Authorize Financial Institutions to Honor and Process Related Checks and Transfers, entered by the Bankruptcy Court on May 2, 2008 [ECF No. 190].
70. ~~69.~~ **“Frontier”** means Frontier Airlines, Inc., a Colorado Corporation.
71. ~~70.~~ **“Frontier Holdings”** means Frontier Airlines Holdings, Inc., a Delaware Corporation.
72. ~~71.~~ **“General Unsecured Claim”** means a Claim, other than an Administrative Claim, the First Data Claim, an Intercompany Claim, an Other Priority Claim, a Priority Tax Claim, a Secured Claim or a Securities Litigation Claim.
73. ~~72.~~ **“HSR Act”** means the Hart-Scott-Rodino Antitrust Improvement Act of 1976, as amended.
74. ~~73.~~ **“IBT”** means the Teamsters Airline Division of the International Brotherhood of Teamsters.
75. ~~74.~~ **“IBT Released Parties”** means the IBT and each of its current and former officers, committee members, employees, advisors, attorneys, accountants, actuaries, investment

bankers, consultants, agents and other representatives, in each case solely to the extent representing the Frontier Aircraft Appearance Agents and Maintenance Cleaners.

76. ~~75.~~ **“Impaired”** means any Claim or Interest that is impaired within the meaning of section 1124 of the Bankruptcy Code.
77. ~~76.~~ **“Indemnification Obligation”** means any obligation of any Debtor to indemnify directors, officers or employees of any of the Debtors who served in such capacity, with respect to or based upon any act or omission taken or omitted in any of such capacities, or for or on behalf of any Debtor, whether pursuant to agreement, the Debtors’ respective articles or certificates of incorporation, corporate charters, bylaws, operating agreements or similar corporate documents or other applicable contract or law in effect as of the Effective Date.
78. ~~77.~~ **“Indenture”** means the Indenture dated as of December 7, 2005 by and among Frontier and U.S. Bank National Association, as Trustee, as supplemented by a First Supplemental Indenture dated as of December 7, 2005 by and among Frontier and U.S. Bank National Association, as Trustee, and a Second Supplemental Indenture dated as of April 3, 2006 by and among Frontier, Frontier Holdings and U.S. Bank National Association, as Trustee.
79. ~~78.~~ **“Indenture Trustee”** means U.S. Bank National Association in its capacity as indenture trustee under the Indenture.
80. ~~79.~~ **“Initial Distribution Date”** means a day selected by the Reorganized Debtors in their sole discretion that is as soon as reasonably practicable after, but not later than 60 calendar days after, the Effective Date.
81. ~~80.~~ **“Initial Pro Rata Share”** means the ratio (expressed as a percentage) of the amount of an Allowed General Unsecured Claim to the sum of the aggregate amounts of (i) all Allowed General Unsecured Claims as of the Effective Date (excluding the Republic Unsecured Claims to the extent set forth in the Investment Agreement) and (ii) all Disputed General Unsecured Claims that the Reorganized Debtors, on the Effective Date, reasonably estimate will be Allowed when the allowance or disallowance of each Disputed General Unsecured Claim is ultimately determined (with an appropriate amount included for as yet unresolved General Unsecured Claims).
82. ~~81.~~ **“Insurance Plans”** means the Debtors’ insurance policies and any agreements, documents or instruments relating thereto entered into prior to the Petition Date.
83. ~~82.~~ **“Intercompany Claim”** means any Claim by a Debtor against another Debtor.
84. ~~83.~~ **“Intercompany Contract”** means a contract solely between two or more Debtors entered into prior to the Petition Date.

85. ~~84.~~ **“Interest”** means any equity security within the meaning of section 101(16) of the Bankruptcy Code, including, without limitation, all issued, unissued, authorized or outstanding shares of stock or other equity interests (including common and preferred), together with any warrants, options, convertible securities, liquidating preferred securities or contractual rights to purchase or acquire any such equity interests at any time and all rights arising with respect thereto.
86. ~~85.~~ **“Interim Compensation Order”** means the Order to Establish Procedures for Interim Monthly Compensation and Reimbursement of Expenses of Professionals, entered by the Bankruptcy Court on May 2, 2008 [ECF No. 195].
87. ~~86.~~ **“Interim Distribution Date”** means the date that is 150 calendar days after the Initial Distribution Date or the most recent Interim Distribution Date thereafter, with such periodic Interim Distribution Dates occurring until the Final Distribution Date has occurred, it being understood that the Reorganized Debtors may increase the frequency of Interim Distribution Dates in their sole discretion as circumstances warrant.
88. ~~87.~~ **“Interim Pro Rata Share”** means, on any given date, the ratio (expressed as a percentage) of the amount of an Allowed General Unsecured Claim to the sum of the aggregate amounts of (i) all Allowed General Unsecured Claims as of such date (excluding the Republic Unsecured Claims to the extent set forth in the Investment Agreement) and (ii) all Disputed General Unsecured Claims that the Reorganized Debtors, on such date, reasonably estimate will be Allowed when the allowance or disallowance of each Disputed General Unsecured Claim is ultimately determined (with an appropriate amount included for as yet unresolved General Unsecured Claims).
89. ~~88.~~ **“Interline Agreements”** has the meaning ascribed to it in the Debtors’ Motion for Order (i) Authorizing Debtors to Honor Interline Agreements, Clearinghouse Agreements, ARC Agreements, Billing and Settlement Plan Agreements and Cargo Agreements, (ii) Authorizing Debtors to Honor Prepetition Obligations Related to the Domestic Alliance Agreements, the Code Share Agreements, GDS Agreements, Travel Agency Agreements, Cargo Agency Agreements and In-To Plane Service Company Claims and (iii) Modifying the Automatic Stay Solely to the Extent Necessary to Effectuate the Intended Relief, filed on April 11, 2008 [ECF No. 15].
90. ~~89.~~ **“Internal Revenue Code”** means the Internal Revenue Code of 1986, as amended.
91. ~~90.~~ **“Investment Agreement”** means the Second Amended and Restated Investment Agreement dated as of ~~July 8,~~August 13, 2009 among Republic, Frontier Holdings, Frontier and Lynx ~~or such other investment agreement that may ultimately be approved by the Bankruptcy Court in replacement thereof at the conclusion of the auction period contemplated by the Investment Agreement Motion.~~
92. ~~91.~~ **“Investment Agreement Motion”** means the Debtors’ Motion for an Order (i) Approving and Authorizing Debtors to Perform Under Investment Agreement, (ii) Approving Procedures for Consideration of Other Investment Proposals, (iii) Scheduling

Proposal Deadlines and an Auction and (iv) Approving Form and Manner of Notice Thereof, filed by the Debtors on June 22, 2009 [ECF No. 890], which, among other things, seeks approval of the Investment Agreement with Republic and of procedures to solicit and consider competing investment proposals.

93. [“Investment Agreement Order” means the Order \(i\) Approving and Authorizing Debtors to Perform Under Investment Agreement, \(ii\) Approving Procedures for Consideration of Other Investment Proposals, \(iii\) Scheduling Proposal Deadlines and an Auction and \(iv\) Approving Form and Manner of Notice Thereof \[ECF No. 921\], which, among other things, approved an earlier version of the Investment Agreement, subject to any higher or otherwise better investment proposals that might be identified as part of an auction to be conducted by the Debtors.](#)
94. ~~92.~~ “IRS” means the Internal Revenue Service.
95. ~~93.~~ “Letter of Credit” means a documentary or standby letter of credit issued for the account of any of the Debtors, and any reimbursement agreement or similar agreement entered into prior to the Petition Date in connection therewith.
96. ~~94.~~ “Lien” has the meaning set forth in section 101(37) of the Bankruptcy Code.
97. ~~95.~~ “Lynx” means Lynx Aviation, Inc., a Colorado Corporation.
98. ~~96.~~ “Master Ballots” means the master ballots upon which the Nominees of Beneficial Holders shall indicate acceptances and rejections of this Plan in accordance with the Voting Instructions.
99. ~~97.~~ “New Board” means the board of directors of Reorganized Frontier Holdings on the Effective Date. Details of the composition of the New Board shall be set forth in a Plan Supplement.
100. ~~98.~~ “New Bylaws” means the bylaws of Reorganized Frontier Holdings, which shall be substantially in the form set forth in a Plan Supplement.
101. ~~99.~~ “New Certificate of Incorporation” means the certificate of incorporation of Reorganized Frontier Holdings, which shall be substantially in the form set forth in a Plan Supplement.
102. ~~100.~~ “New Common Stock” means the common stock of Reorganized Frontier Holdings to be authorized pursuant to the New Certificate of Incorporation.
103. ~~101.~~ “Nominee” means any broker, dealer, commercial loans institution, financial institution or other nominee in whose name securities are registered or held of record on behalf of a Beneficial Holder.
104. ~~102.~~ “Notice of Intent To Assume or Reject” means a notice delivered by the Debtors or Reorganized Debtors pursuant to Article 10 of this Plan stating an intent to assume or



reject an executory contract or unexpired lease and including a proposed Assumption Effective Date or Rejection Effective Date, as applicable, and, if applicable, a Proposed Cure and/or a proposed assignment.

- 105. ~~103.~~ “**Old Notes**” means all notes issued pursuant to the Indenture and any other indenture or similar instrument issued by or on behalf of a Debtor prior to the Petition Date.
- 106. ~~104.~~ “**Old Stock**” means all of the issued and outstanding shares of Frontier Holdings common stock, \$0.001 par value per share, and all stock options, warrants or other rights to purchase such stock.
- 107. ~~105.~~ “**Ordinary Course Professionals Order**” means the Order Authorizing the Debtors to Employ Ordinary Course Professionals, entered by the Bankruptcy Court on May 2, 2008 [ECF No. 198].
- 108. ~~106.~~ “**Other Administrative Claim**” means an Administrative Claim, including, but not limited to: (i) the actual, necessary costs and expenses of preserving the Estates and operating the businesses of the Debtors incurred on or after the commencement of the Chapter 11 Cases, including Cure amounts and other liabilities incurred by the Debtors in the ordinary course of their businesses, (ii) reclamation claims under section 546(c) of the Bankruptcy Code and Uniform Commercial Code section 2-702, (iii) claims under section 503(b)(9) of the Bankruptcy Code, (iv) except with respect to Professionals, compensation for legal, financial advisory, accounting and other services and reimbursement of expenses that would be awarded or Allowed pursuant to sections 327, 328, 330 or 331 of the Bankruptcy Code or otherwise for the period commencing on or after the Petition Date and ending on or before the Effective Date and (v) all requests for compensation or expense reimbursement for making a substantial contribution in the Chapter 11 Cases pursuant to sections 503(b)(3), (4) or (5) of the Bankruptcy Code. Other Administrative Claims shall not include DIP Facility Claims Professional Fee Claims or fees and charges assessed against the Debtors’ Estates pursuant to section 1930 of title 28 of the United States Code (which shall be paid pursuant to Section 16.3 of this Plan).
- 109. ~~107.~~ “**Other Administrative Claim Bar Date**” means the date that is 30 calendar days after the Effective Date.
- 110. ~~108.~~ “**Other Priority Claim**” means any Claim, other than an Administrative Claim or a Priority Tax Claim, entitled to priority in right of payment pursuant to section 507(a) of the Bankruptcy Code.
- 111. ~~109.~~ “**Person**” or “**person**” means a person as defined in section 101(41) of the Bankruptcy Code.

112. ~~110.~~ **“Petition Date”** means April 10, 2008, the date on which the Debtors commenced the Chapter 11 Cases, and, where relevant, the time of the filing of the Debtors’ chapter 11 petitions on such date.
113. ~~111.~~ **“Plan”** means this Joint Plan of Reorganization Under Chapter 11 of the Bankruptcy Code, including all Plan Supplements and all exhibits, supplements, appendices and schedules to any of the foregoing, as any of them may be amended or modified from time to time hereunder or in accordance with applicable law.
114. ~~112.~~ **“Plan Consolidation”** means the deemed consolidation of the Estates of the Debtors with one another, solely for the purposes of the confirmation of this Plan and the occurrence of the Effective Date, including with respect to voting, Confirmation and distributions.
115. ~~113.~~ **“Plan Documents”** means the agreements, instruments and documents to be executed, delivered, assumed and/or performed in conjunction with the consummation of this Plan on and after the Effective Date, including, without limitation, (i) the New Bylaws, (ii) the New Certificate of Incorporation, (iii) the Reorganized Subsidiary Debtors’ Certificates of Incorporation and (vi) any other instruments and documents listed in Plan Supplements.
116. ~~114.~~ **“Plan Sponsor”** means Republic ~~or any other entity that the Bankruptcy Court may determine, at the conclusion of the auction period contemplated by the Investment Agreement Motion, has made a higher or otherwise better offer to make an equity investment in the Debtors, in connection with this Plan.~~
117. ~~115.~~ **“Plan Supplements”** means, collectively, the documents, agreements, instruments, schedules and exhibits and forms thereof specified in this Plan to be filed as “Plan Supplements”, as each such document, agreement, instrument, schedule and exhibit and form thereof may be altered, restated, modified or replaced from time to time, including subsequent to the filing of any such documents. Subsequent to their initial filing pursuant to Section 16.5, the Debtors shall, unless otherwise provided under this Plan, and subject to the terms and conditions of the Investment Agreement, be free to modify any such documents without further filings or notice to any party.
118. ~~116.~~ **“Post-Effective Date Committee”** has the meaning set forth in Section 16.4(b).
119. ~~117.~~ **“Post-Effective Date Committee Expense Cap”** means \$100,000.
120. ~~118.~~ **“Priority Tax Claim”** means an unsecured Claim of a governmental unit entitled to priority pursuant to section 507(a)(8) or specified under section 502(i) of the Bankruptcy Code.
121. ~~119.~~ **“Professional”** means a person retained in the Chapter 11 Cases by separate Bankruptcy Court order pursuant to sections 327 and 1103 of the Bankruptcy Code or

otherwise, but not including any person retained pursuant to the Ordinary Course Professionals Order.

122. ~~120.~~ “**Professional Fee Claims**” means an Administrative Claim of a Professional for compensation for services rendered or reimbursement of costs, expenses or other charges and disbursements incurred during the period from the Petition Date through the day immediately preceding the Effective Date.
123. ~~121.~~ “**Proof of Claim**” means a proof of claim filed by a holder of a Claim in accordance with the Bar Date Order.
124. ~~122.~~ “**Proposed Cure**” means, with respect to a particular executory contract or unexpired lease, the consideration that the Debtors propose (which may be zero or an amount greater than zero) on a Notice of Intent To Assume or Reject in full satisfaction of the Debtors’ obligations with respect to such executory contract or unexpired lease pursuant to section 365(b) of the Bankruptcy Code.
125. ~~123.~~ “**Reinstated**” or “**Reinstatement**” means (i) leaving unaltered the legal, equitable and contractual rights to which a Claim or Interest entitles the holder thereof so as to leave such Claim or Interest Unimpaired in accordance with section 1124 of the Bankruptcy Code or (ii) notwithstanding and without giving effect to any contractual provision or applicable law that entitles a Creditor to demand or receive accelerated payment of a Claim after the occurrence of a default, (A) curing any such default that occurred before or after the Petition Date, other than a default of a kind specified in section 365(b)(2) of the Bankruptcy Code, (B) reinstating the maturity of such Claim as such maturity existed before such default, (C) compensating the Creditor for any damages incurred as a result of any reasonable reliance by such Creditor on such contractual provision or such applicable law and (D) not otherwise altering the legal, equitable or contractual rights to which such Claim entitles the Creditor; *provided, however*, that any contractual right that does not pertain to the payment when due of principal and interest on the obligation on which such Claim is based, including, without limitation, financial covenant ratios, negative pledge covenants, covenants or restrictions on merger or consolidation, “going dark” provisions and affirmative covenants regarding corporate existence, prohibiting certain transactions or actions contemplated by this Plan or conditioning such transactions or actions on certain factors, shall not be required to be cured or reinstated to accomplish Reinstatement.
126. ~~124.~~ “**Rejection Bar Date**” means the deadline for filing Proofs of Claim arising from the rejection of an executory contract or unexpired lease, which deadline shall be 30 calendar days after the entry of an order approving the rejection of such executory contract or unexpired lease.
127. ~~125.~~ “**Rejection Claim**” means a Claim under section 502(g) of the Bankruptcy Code.

128. ~~126.~~ “**Rejection Effective Date**” means the date upon which the rejection of an executory contract or unexpired lease under this Plan is deemed effective.
129. ~~127.~~ “**Rejection Party**” means a counterparty to an executory contract or unexpired lease to be rejected by the Debtors under this Plan.
130. ~~128.~~ “**Released Parties**” has the meaning set forth in Section 12.6 of this Plan.
131. ~~129.~~ “**Reorganized Debtors**” means, collectively, each of the Debtors on and after the Effective Date.
132. ~~130.~~ “**Reorganized Frontier**” means Frontier on and after the Effective Date.
133. ~~131.~~ “**Reorganized Frontier Holdings**” means Frontier Holdings on and after the Effective Date.
134. ~~132.~~ “**Reorganized Lynx**” means Lynx on and after the Effective Date.
135. ~~133.~~ “**Reorganized Subsidiary Debtors**” means, collectively, each of Reorganized Frontier and Reorganized Lynx.
136. ~~134.~~ “**Reorganized Subsidiary Debtors’ Bylaws**” means the bylaws of the Reorganized Subsidiary Debtors.
137. ~~135.~~ “**Reorganized Subsidiary Debtors’ Certificates of Incorporation**” means the certificates of incorporation of the Reorganized Subsidiary Debtors.
138. ~~136.~~ “**Republic**” means Republic Airways Holdings, Inc., a Delaware Corporation.
139. “**Republic Unsecured Claims**” means Republic’s two \$150 million Allowed General Unsecured Claims.
140. ~~137.~~ “**Restructuring Transactions**” means those transactions described in Section 6.2 of this Plan.
141. ~~138.~~ “**Schedules**” means the schedules of assets and liabilities and the statements of financial affairs filed by the Debtors pursuant to section 521 of the Bankruptcy Code, as such schedules and statements have been or may be supplemented, modified or amended from time to time.
142. ~~139.~~ “**Secured Claim**” means any Claim or portion thereof (i) that is reflected in the Schedules or a Proof of Claim as a secured claim and is secured by a Lien on Collateral, to the extent of the value of such Collateral, as determined in accordance with section 506(a) or (ii) to the extent that the holder thereof has a valid right of setoff pursuant to section 553 of the Bankruptcy Code.

143. ~~140.~~ “**Securities Act**” means the Securities Act of 1933, as amended.
144. ~~141.~~ “**Securities Litigation Claim**” means any Claim or Cause of Action against any of the Debtors (i) arising from rescission of a purchase or sale of shares, notes or any other securities of any of the Debtors or an Affiliate of any of the Debtors, (ii) for damages arising from the purchase or sale of any such security, (iii) for violations of the securities laws, misrepresentations or any similar Claims related to the foregoing or otherwise subject to subordination under section 510(b) of the Bankruptcy Code, (iv) for reimbursement, contribution or indemnification allowed under section 502 of the Bankruptcy Code on account of any such Claim, including Claims based upon allegations that the Debtors made false and misleading statements or engaged in other deceptive acts in connection with the offer or sale of securities or (v) for attorneys’ fees, other charges or costs incurred on account of any of the foregoing Claims or Causes of Action.
145. ~~142.~~ “**Servicer**” means an indenture trustee (including the Indenture Trustee), owner trustee, pass-through trustee, subordination agent, agent, servicer or any other authorized representative of Creditors recognized by the Debtors.
146. ~~143.~~ “**Share Purchase Price**” means ~~\$108,750,000, or such higher amount (net of the Termination Fee and Expense Reimbursement (as such terms are defined in the Investment Agreement)) that results from the auction process for the purchase by the Plan Sponsor of the New Common Stock in connection with this Plan, subject to the terms and conditions of the Investment Agreement.~~108,750,000. For the avoidance of doubt, the Share Purchase Price includes the Class 3 Allocation.
147. ~~144.~~ “**Solicitation Agent**” means Epiq Bankruptcy Solutions, LLC, the Debtors’ solicitation agent.
148. ~~145.~~ “**Sub-plan**” means one or more sub-plans of reorganization described in Article 2 with respect to any individual Debtor.
149. ~~146.~~ “**Subsidiary Debtors**” means, collectively, each of Frontier and Lynx. To the extent the context requires any reference to the Subsidiary Debtors after the Effective Date, Subsidiary Debtors shall mean the Reorganized Subsidiary Debtors.
150. ~~147.~~ “**Surety Bond**” means a surety bond issued on behalf of any of the Debtors prior to the Petition Date by Zurich Commercial Surety for benefit of (i) the Department of Treasury, (ii) the United States Customs Service or (iii) the Airlines Reporting Corporation, in each case including any agreement between any of the Debtors and Zurich Commercial Surety that requires the Debtors to indemnify the issuer with respect to such surety bond.
151. ~~148.~~ “**Transfer**” and words of like import mean, with respect to any security or the right to receive a security or to participate in any offering of any security (each a “**security**” for purposes of this definition), the sale, transfer, pledge, hypothecation, encumbrance, assignment, constructive sale, participation in or other disposition of such security or the

Beneficial Ownership thereof, the offer to make such a sale, transfer, constructive sale or other disposition, and each option, agreement, arrangement or understanding, whether or not in writing and whether or not directly or indirectly, to effect any of the foregoing. The term “**constructive sale**” for purposes of this definition means a short sale with respect to such security, entering into or acquiring an offsetting derivative contract with respect to such security, entering into or acquiring a futures or forward contract to deliver such security or entering into any transaction that has substantially the same effect as any of the foregoing.

152. ~~149.~~ “**Treatment Objection**” means an objection to the Debtors’ proposed assumption or rejection of an executory contract or unexpired lease pursuant to the provisions of this Plan (including an objection to the proposed Assumption Effective Date or Rejection Effective Date, the Proposed Cure and/or any proposed assignment, but not including an objection to any Rejection Claim) that is properly filed with the Bankruptcy Court and served in accordance with the Case Management Order by the applicable Treatment Objection Deadline.
153. ~~150.~~ “**Treatment Objection Deadline**” means the deadline for filing and serving a Treatment Objection, which deadline shall be 4:00 p.m. (prevailing Eastern Time) on, (i) 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, (ii) 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, (iii) 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 (iv) 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 this Plan (without being listed on Schedule 10.2(a) or 10.2(b)), the deadline for objections to Confirmation of this Plan established pursuant to the Approval Order or other order of the Bankruptcy Court.
154. ~~151.~~ “**TWU**” means the Transport Workers Union of America AFL-CIO.
155. ~~152.~~ “**TWU Released Parties**” means the TWU and its current and former officers, committee members, employees, advisors, attorneys, accountants, actuaries, investment bankers, consultants, agents and other representatives.
156. ~~153.~~ “**Unimpaired**” refers to any Claim or Interest that is not Impaired.
157. ~~154.~~ “**Unions**” means, collectively, each of FAPA, IBT and TWU.
158. ~~155.~~ “**United States Trustee**” means the United States Trustee for the Southern District of New York.

159. ~~156.~~ “**Unliquidated Claim**” means any Claim for which the amount of liability has not been fixed, whether pursuant to agreement, applicable law or otherwise, as of the date on which such Claim is sought to be estimated.
160. ~~157.~~ “**Voting Deadline**” means the date established by the Approval Order by which the Solicitation Agent must actually receive an otherwise valid vote on this Plan in order for such vote to count as a vote to accept or reject this Plan. Such deadline will be 4:00 p.m. (prevailing Eastern Time) on August 28, 2009.
161. ~~158.~~ “**Voting Instructions**” means the instructions for voting on this Plan contained in the Approval Order, Article 7 of the Disclosure Statement and the Ballots, the Master Ballots and the Beneficial Ballots.
162. ~~159.~~ “**Voting Record Date**” means the record date for voting on this Plan, which shall be July 22, 2009.
163. ~~160.~~ “**Workers’ Compensation Plan**” means each of the Debtors’ written contracts, agreements, agreements of indemnity, qualified self-insurance workers’ compensation bonds, policies, programs and plans for workers’ compensation and workers’ compensation insurance entered into prior to the Petition Date.

## **Section 1.2. Rules of Interpretation**

Unless otherwise specified, all article, section, exhibit, schedule or Plan Supplement references in this Plan are to the respective article in, section in, exhibit to, schedule to or Plan Supplement to this Plan, as the same may be amended, waived or modified from time to time. The words “herein,” “hereof,” “hereto,” “hereunder” and other words of similar import refer to this Plan as a whole and not to any particular article, section, subsection or clause contained herein. Whenever it is appropriate from the context, each term, whether stated in the singular or the plural, shall include both the singular and the plural and any pronoun stated in the masculine, feminine or neuter gender shall include the masculine, feminine and neuter gender. Captions and headings in this Plan are inserted for convenience of reference only and are not intended to be a part of or to affect the interpretation hereof. Whenever the words “include,” “includes” or “including” are used in this Plan, they shall be deemed to be followed by the words “without limitation,” whether or not they are in fact followed by those words or words of like import. References from or through any date mean, unless otherwise specified, from and including or through and including, respectively. Any references herein to a contract, instrument, release, indenture or other agreement or document being in a particular form or on particular terms and conditions means that such document will be substantially in such form or substantially on such terms and conditions. In the event that a particular term of this Plan (including any exhibits, schedules or Plan Supplement hereto) conflicts with a particular term of the definitive documentation required to be implemented pursuant to the terms of this Plan or any settlement or other agreement contemplated hereunder, the definitive documentation shall control and shall be binding on the parties thereto.

holder of an Allowed Priority Tax Claim against any of the Debtors shall receive, at the sole option of the Reorganized Debtors, (a) payment in full in Cash made on or as soon as reasonably practicable after the later of the Effective Date or the first Distribution Date occurring at least 20 calendar days after the date such Claim is Allowed, (b) regular installment payments in accordance with section 1129(a)(9)(C) of the Bankruptcy Code or (c) such other amounts and in such other manner as may be determined by the Bankruptcy Court to provide the holder of such Allowed Priority Tax Claim deferred Cash payments having a value, as of the Effective Date, equal to such Allowed Priority Tax Claim.

The Reorganized Debtors shall have the right, in their sole discretion, to pay any Allowed Priority Tax Claim or any remaining balance of an Allowed Priority Tax Claim (together with accrued but unpaid interest) in full at any time on or after the Effective Date without premium or penalty.

**ARTICLE 4**  
**CLASSIFICATION AND TREATMENT OF OTHER CLAIMS**  
**AND INTERESTS**

As summarized in Article 2 above, this Plan is predicated on the Plan Consolidation. If the Plan Consolidation is not ordered pursuant to Article 2 of this Plan, the Claims and Interests against and in the Debtors shall be classified, treated and voted as specified in that Article.

**Section 4.1. Classes**

**Summary of Classification and Treatment of**  
**Claims and Interests**

Class	Designation	Plan Treatment of Allowed Claims	<del>Projecte &amp; Recover y Under this Plan</del>	Status	Voting Rights
1	Other Priority Claims	Payment in full in Cash; or other treatment that will render the Claim Unimpaired.	<del>100%</del>	Unimpaired	Deemed to Accept



Class	Designation	Plan Treatment of Allowed Claims	Projected Recovery Under this Plan	Status	Voting Rights
2	Secured Claims	Payment in full in Cash; Reinstatement of the legal, equitable and contractual rights of the holder of such Claim; payment of the proceeds of the sale or disposition of the Collateral securing such Claim in each case to the extent of the value of the holder's secured interest in such Collateral; return of Collateral securing such Claim; or other treatment that will render the Claim Unimpaired.	100%	Unimpaired	Deemed to Accept
3	General Unsecured Claims	Pro rata share of the Class 3 Allocation.	<del>8.2%–9.6%</del> <sup>‡</sup>	Impaired	Entitled to Vote
4a	Interests in Frontier Holdings	No distribution.	0%	Impaired	Deemed to Reject
4b	Interests in Frontier and Lynx	Reinstatement of Interests.	100%	Unimpaired	Deemed to Accept
4c	Securities Litigation Claims	No distribution.	0%	Impaired	Deemed to Reject

~~‡The projected recovery listed herein for General Unsecured Claims is based on (i) a Class 3 Allocation equal to \$28,750,000 and (ii) estimated total Allowed General Unsecured Claims of \$300 million to \$350 million against the Debtors. This recovery is subject to change based, *inter alia*, on (x) any change to the amount of the Class 3 Allocation as may be approved by the Bankruptcy Court in the event that a higher or otherwise better offer is obtained following the conclusion of the auction period and/or (y) further refinements to the pool of General Unsecured Claims as the Debtors' Claims reconciliation and objection process continues. The estimated total of General Unsecured Claims that will ultimately be Allowed and therefore the projected recovery for holders of Allowed General Unsecured Claims is based on information available to the Debtors as of the date hereof and reflect the Debtors' views as of the date hereof only. The Debtors expressly disclaim any obligation to update any estimates or assumptions after the date hereof on any basis (including new or different information received and/or errors discovered).~~

Final Distribution Date, as required by this Plan. The Disbursing Agent shall hold the Disputed Claims Reserve in a separate, interest bearing account (the “Escrow Account”) for the sole benefit of holders of Allowed General Unsecured Claims and, pursuant to documents reasonably acceptable to the Creditors’ Committee that will be filed in a Plan Supplement, not available for the benefit of the Reorganized Debtors or their creditors. 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. After all Disputed General Unsecured Claims have become either Allowed Claims or Disallowed Claims and all distributions required pursuant to Section 9.4(c) of this Plan have been made, the Disbursing Agent shall effect a final distribution of the Cash remaining in the Disputed Claims Reserve as required by this Plan.

Absent definitive guidance from the IRS or a contrary determination by a court of competent jurisdiction, the Disbursing Agent shall (i) treat the Disputed Claims Reserve as a disputed ownership fund for U.S. federal income tax purposes within the meaning of Treasury regulations section 1.468B-9(b)(1) and (ii) to the extent permitted by applicable law, report consistently with the foregoing characterization for state and local income tax purposes. All holders of Disputed General Unsecured Claims shall report, for income tax purposes, consistently with the foregoing.

**(c) Distributions after Allowance**

To the extent that a Disputed General Unsecured Claim becomes an Allowed Claim after the Effective Date, the Disbursing Agent will, out of the Disputed Claims Reserve, distribute to the holder thereof such Allowed Claim’s Initial Pro Rata Share in accordance with Section 7.2(a), Section 9.6 and the other provisions of this Plan.

**Section 9.5. No Amendments to Claims**

On or after the Confirmation Date, the holder of a Claim (other than an Other Administrative Claim or a Professional Fee Claim) must obtain prior authorization from the Bankruptcy Court or the Debtors to file or amend a Claim. Any new or amended Claim (other than a Claim filed or amended, as applicable, by the Rejection Bar Date and related to an executory contract or unexpired lease rejected pursuant to this Plan or an order of the Bankruptcy Court) filed after the Confirmation Date without such prior authorization will not appear on the register of claims maintained by the Claims Agent and will be deemed disallowed in full and expunged without any action required of the Debtors or the Reorganized Debtors and without the need for any court order.

**Section 9.6. No Interest**

Other than as provided by section 506(b) of the Bankruptcy Code or as specifically provided for in this Plan, the Confirmation Order, the DIP Facility or a post-petition agreement in writing between the Debtors and the holder of a Claim, post-petition interest shall not accrue or be paid on Claims and no holder of a Claim shall be entitled to interest accruing on or after the Petition Date on any Claim, Interest or right. Additionally, and without limiting the foregoing,

interest shall not accrue or be paid on any Disputed Claim with respect to the period from and after the Effective Date; *provided, however*, that nothing in this Section 9.6 shall limit any rights of any governmental unit (as defined in section 101(27) of the Bankruptcy Code) to interest under sections 503, 506(b), 1129(a)(9)(A) or 1129(a)(9)(C) of the Bankruptcy Code or as otherwise provided for under applicable law.

## **ARTICLE 10**

### **EXECUTORY CONTRACTS AND UNEXPIRED LEASES**

#### **Section 10.1. Rejection of Executory Contracts and Unexpired Leases**

Pursuant to sections 365 and 1123 of the Bankruptcy Code, each executory contract and unexpired lease to which any Debtor is a party shall be deemed automatically rejected by the Debtors effective as of the Effective Date, except for any executory contract or unexpired lease (i) that has been assumed or rejected pursuant to an order of the Bankruptcy Court entered prior to the Effective Date, (ii) that is the subject of a motion to assume or reject pending on the Confirmation Date, (iii) that is assumed, rejected or otherwise treated pursuant to Section 10.3 or Section 10.4 of this Plan, (iv) that is listed on Schedule 10.2(a) or 10.2(b) of this Plan or (v) as to which a Treatment Objection has been filed and properly served by the Treatment Objection Deadline. If an executory contract or unexpired lease either (x) has been assumed or rejected pursuant to an order of the Bankruptcy Court entered prior to the Effective Date or (y) is the subject of a motion to assume or reject pending on the Confirmation Date, then the listing of any such executory contract or unexpired lease on the aforementioned schedules shall be of no effect.

#### **Section 10.2. Schedules of Executory Contracts and Unexpired Leases**

(a) Schedules 10.2(a) and 10.2(b) of this Plan shall be filed by the Debtors as specified in Section 16.5 of this Plan as Plan Supplements and shall represent the Debtors' then-current good faith belief regarding the intended treatment of all executory contracts and unexpired leases listed thereon. The Debtors reserve the right, on or prior to 3:00 p.m. on the Business Day immediately prior to the commencement of the Confirmation Hearing, (i) to amend Schedules 10.2(a) and 10.2(b) in order to add, delete or reclassify any executory contract or unexpired lease or amend a proposed assignment and (ii) to amend the Proposed Cure, in each case with respect to any executory contract or unexpired lease previously listed as to be assumed; *provided* that if the Confirmation Hearing is adjourned for a period of more than two consecutive calendar days, such amendment right shall be extended to 3:00 p.m. on the Business Day immediately prior to the rescheduled or continued Confirmation Hearing, and this proviso shall apply in the case of any and all subsequent adjournments of the Confirmation Hearing; *provided further* that with respect to Intercompany Contracts and agreements proposed to be rejected as of the above deadline, the Debtors reserve the right to make amendments at any time prior to Confirmation; *provided further that the Debtors may amend Schedules 10.2(a) and 10.2(b) in order to add, delete or reclassify any executory contracts or unexpired leases or amend proposed assignments after such date to the extent agreed with the relevant counterparties.* Pursuant to sections 365 and 1123 of the Bankruptcy Code, and except with respect to executory

benefits, deferred compensation benefits, travel benefits (including retiree travel benefits), savings, severance benefits, retirement benefits, welfare benefits, relocation programs, life insurance and accidental death and dismemberment insurance, including written contracts, agreements, policies, programs and plans for bonuses and other incentives or compensation for the directors, officers and employees of any of the Debtors who served in such capacity at any time. To the extent that the above-listed contracts, agreements, policies, programs and plans are executory contracts, pursuant to sections 365 and 1123 of the Bankruptcy Code, unless a Treatment Objection is timely filed and properly served, each of them will be deemed assumed (as modified or terminated) as of the Effective Date with a Cure of zero dollars. However, notwithstanding anything else herein, the assumed plans shall be subject to modification in accordance with the terms thereof at the discretion of the Reorganized Debtors.

**(c) Certain Retiree Benefits**

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 level 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.

**Section 10.5. Assumption and Rejection Procedures and Resolution of Treatment Objections**

**(a) Proposed Assumptions**

(i) With respect to any executory contract or unexpired lease to be assumed pursuant to any provision of this Plan (including Sections 10.2, 10.3, 10.4 or 10.5(d) hereof) or any Notice of Intent To Assume or Reject, unless an Assumption Party files and properly serves a Treatment Objection by the Treatment Objection Deadline, such executory contract or unexpired lease shall be deemed assumed and, if applicable, assigned as of the Assumption Effective Date proposed by the Debtors or Reorganized Debtors, without any further notice to or action by the Bankruptcy Court, and any obligation the Debtors or Reorganized Debtors may have to such Assumption Party with respect to such executory contract or unexpired lease under section 365(b) of the Bankruptcy Code shall be deemed to be fully satisfied by the Proposed Cure, if any, which shall be the Cure.

(ii) Any objection to the assumption or assignment of an executory contract or unexpired lease that is not timely filed and properly served shall be denied automatically and with prejudice (without the need for any objection by the Debtors or the Reorganized

later of the Effective Date and the date indicated in the order providing for such injunction or stay.

#### Section 12.5. Exculpation

Pursuant to this Plan, none of the Debtors, 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 this Plan, the consummation of this Plan, the preparation and distribution of the Disclosure Statement, the offer, issuance and distribution of any securities issued or to be issued pursuant to this Plan or the administration of this Plan or the property to be distributed under this Plan, ~~except for willful misconduct, ultra vires acts or gross negligence.~~ Nothing in this Plan or the Confirmation Order shall (i) be construed to exculpate any Released Party (defined below) 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).

Nothing in this Plan or the Confirmation Order 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 Plan or the Confirmation Order 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 Plan or the Confirmation Order 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.

#### Section 12.6. Release by the Debtors

Pursuant to this Plan, as of the Effective Date, the Debtors, their Estates and the Reorganized Debtors release all of the Released Parties (defined below) from any and all Causes of Action (other than the rights of the Debtors or the Reorganized Debtors to enforce this Plan and the Plan Documents including contracts, instruments, releases, indentures and other agreements or documents delivered thereunder, and those Causes of Action expressly retained by the Debtors or the Reorganized Debtors under this Plan) held by, 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 interpreted. Notwithstanding any such holding, alteration or interpretation, the remainder of the terms and provisions of this Plan will remain in full force and effect and will 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 this Plan, as it may have been altered or interpreted in accordance with the foregoing, is valid and enforceable pursuant to its terms.

### **Section 16.10. Governing Law**

Except to the extent that the Bankruptcy Code, Bankruptcy Rules or other federal law is applicable, or to the extent an exhibit or schedule hereto, or Plan Documents provides otherwise, the rights, duties and obligations arising under this 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.

### **Section 16.11. Binding Effect**

This 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.

### **Section 16.12. Notices**

To be effective, any notice, request or demand to or upon the Debtors or the Reorganized Debtors must be in writing and, unless otherwise expressly provided herein, shall be deemed to have been duly given or made when actually received and confirmed as received by:

Frontier	Airlines	Holdings,	Inc.	
7001		Tower		Road
Denver,		Colorado		80249
Attn:		General		Counsel
Telephone:		(720)		374-4000
Facsimile:	(720) 374-4200			

with a copy to:

Davis	Polk	&	Wardwell	LLP
450		Lexington		Avenue
New	York,	New	York	10017
Attn:		Marshall	S.	Huebner
Telephone:		(212)	450-4000	
Facsimile:	(212) <del>450-6501</del> <a href="tel:701-7501">701-7501</a>			

### **Section 16.13. Reservation of Rights**

Except as expressly set forth herein, this Plan shall have no force or effect unless the Bankruptcy Court shall enter the Confirmation Order. Prior to the Effective Date, none of the

filing of this Plan, any statement or provision contained herein or the taking of any action by the Debtors with respect to this Plan shall be or shall be deemed to be an admission or waiver of any rights of the Debtors of any kind, including with respect to the holders of Claims or Interests or as to any treatment or classification of any contract or lease.

#### **Section 16.14. Further Assurances**

The Debtors, Reorganized Debtors and all Creditors receiving distributions hereunder and all other parties in interest may and shall, from time to time, prepare, execute and deliver any agreements or documents and take any other actions as may be necessary or advisable to effectuate the provisions and intent of this Plan.

#### **Section 16.15. Case Management Order**

Except as otherwise provided herein, the Case Management Order shall remain in full force and effect, and all “Court Papers” (as defined in the Case Management Order) shall be filed and served in accordance with the procedures set forth in the Case Management Order; *provided* that on and after the Effective Date, “Court Papers” (as defined in the Case Management Order) need only be served on (i) the chambers of the Honorable Robert D. Drain, One Bowling Green, New York, NY 10004-1408;<sup>43</sup> (ii) the counsel to the Reorganized Debtors, Davis Polk & Wardwell LLP, 450 Lexington Avenue, New York, NY 10017, Attn: Marshall S. Huebner; (iii) conflicts counsel to the Reorganized Debtors, Togut, Segal & Segal, LLP, One Penn Plaza, New York, NY 10119, Attn: Albert Togut; and (iv) Epiq Bankruptcy Solutions, LLC, 757 Third Avenue, New York, NY 10017, Attn: Frontier Team; *provided further* that final requests for payment of Professional Fee Claims filed pursuant to Section 8.1(a) of this Plan (and all “Court Papers” related thereto) shall also be served on the United States Trustee, 33 Whitehall Street, Suite 2100, New York, NY 10004, Attn: Brian Masumoto.

<sup>43</sup> In the event that the address for the chambers of the Honorable Robert D. Drain changes, the Debtors will file a notice of such change on the Bankruptcy Court’s docket and post such notice on the Debtors’ case information website (located at [www.frontier-restructuring.com](http://www.frontier-restructuring.com)).

Dated: ~~July~~ 22, September 8,  
New York, New York

2009

Respectfully submitted,

FRONTIER AIRLINES HOLDINGS, INC.  
FRONTIER AIRLINES, INC.

By: /s/ Edward M. Christie, III  
Name: Edward M. Christie, III  
Title: Senior Vice President and Chief  
Financial Officer

LYNX AVIATION, INC.

By: /s/ Matthew R. Henry  
Name: Matthew R. Henry  
Title: Corporate Secretary