

Hearing Date (if necessary): TBD  
Objection Date: July 27, 2012 at 4:00 p.m. (prevailing Eastern Time)

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

**In re:**

**PINNACLE AIRLINES CORP., et al.,**

**Debtors.**

**Chapter 11**

**Case No. 12-11343 (REG)**

**(Jointly Administered)**

**NOTICE OF REJECTION OF EXECUTORY CONTRACTS AND  
UNEXPIRED LEASES AND THE ABANDONMENT  
OF PERSONAL PROPERTY**

PLEASE TAKE NOTICE, that on April, 23, 2012, the United States Bankruptcy Court for the Southern District of New York (the “**Court**”) entered the attached order (the “**Order**”) <sup>1</sup> approving Procedures for the rejection of Contracts and Leases and for the abandonment of Expendable Property. The Procedures enable Pinnacle Airlines Corp. and its subsidiaries that are debtors and debtors in possession in these proceedings (collectively, the “**Debtors**”) in the chapter 11 cases that are jointly administered under Case No. 12-11343 to reject Contracts and Leases and abandon Expendable Property without further notice.

PLEASE TAKE FURTHER NOTICE, that pursuant to the terms of the Order, unless a written Objection is filed with the Court and served by 4:00 p.m. (prevailing Eastern Time) July 27, 2012 in accordance with the terms of the Order, the Contracts and

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<sup>1</sup> Unless otherwise defined herein, each capitalized term shall have the meaning ascribed to it in the Order.

Leases set forth on the attached Schedule A shall be rejected pursuant to section 365(a) of the Bankruptcy Code and Expendable Property shall be abandoned pursuant to section 554(a) of the Bankruptcy Code, in each case effective as of the date set forth on Schedule A.

PLEASE TAKE FURTHER NOTICE, that pursuant to the terms of the Order, (a) no counterparties to any Contract or Lease may set off or otherwise use any monies deposited by the Debtors with such counterparty as a security deposit or pursuant to another similar arrangement without prior order of the Court, and (b) the holder of any claim for damages arising from the rejection of any Contract or Lease or abandonment of Expendable Property is required to file a proof of claim on account of such claim against the Debtors in accordance with the Order Establishing Deadline for Filing Proofs of Claim and Approving the Form and Manner of Notice Thereof [ECF No. 448], on or before the later of (i) August 6, 2012 at 5:00 p.m. (prevailing Eastern Time) and (ii) 30 days after the effective date of such rejection or abandonment to which the claim relates, and that absent a timely filing, such claim shall be irrevocably barred.

PLEASE TAKE FURTHER NOTICE, that if an Objection is timely filed and served in accordance with the Order, and such Objection has not been resolved by the parties, the Debtors may schedule the matter for an omnibus hearing. If, after a hearing, the disputed rejection or abandonment is approved by the Court, the Contracts or Leases subject to the Objection will be deemed rejected as of the date set forth on the attached Schedule A, and the abandonment of Expendable Property subject to the Objection will be deemed effective as of the effective date of the rejection of the Lease associated with the abandoned Expendable Property.

New York, New York  
Dated: July 17, 2012

By: /s/ Damian S. Schaible  
Marshall S. Huebner  
Damian S. Schaible  
Darren S. Klein

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**Schedule A<sup>1</sup>**

<b>Title of Agreement</b>	<b>Contract Type</b>	<b>Debtor Parties to the Contract or Lease to be Rejected</b>	<b>Counterparties to the Contract or Lease to be Rejected</b>	<b>Date of Contract or Lease</b>	<b>Location of Real Property that is the subject of a Lease to be Rejected</b>	<b>Description and Location of Expendable Property</b>	<b>Rejection Effective Date</b>
Vending Agreement	Service	Pinnacle Airlines Corp.	Compass Group USA, Inc (Canteen Vending Svcs. Div.)	October 20, 2011	n/a	n/a	July 17, 2012
Sungard Web Hosting Agreement	Service and Web hosting	Pinnacle Airlines Corp.	Sungard Availability Services LP	December 31, 2008	n/a	n/a	July 17, 2012
LDRPS Enterprise On-Demand Subscription Agreement	Software and Service Subscription	Pinnacle Airlines Corp.	Sungard Availability Services LP	December 31, 2008	n/a	n/a	July 17, 2012
Software License and Maintenance Agreement	Software License	Pinnacle Airlines Corp.	Sungard Availability Services LP	December 31, 2008	n/a	n/a	July 17, 2012

<sup>1</sup> The Contracts and Leases listed herein include all addendums, supplements, amendments, modifications and purchase orders related thereto.

<b>Title of Agreement</b>	<b>Contract Type</b>	<b>Debtor Parties to the Contract or Lease to be Rejected</b>	<b>Counterparties to the Contract or Lease to be Rejected</b>	<b>Date of Contract or Lease</b>	<b>Location of Real Property that is the subject of a Lease to be Rejected</b>	<b>Description and Location of Expendable Property</b>	<b>Rejection Effective Date</b>
SunGard NotiFind Agreement	Software and Service Subscription	Pinnacle Airlines Corp.	Sungard Availability Services LP	December 31, 2008	n/a	n/a	July 31, 2012

## **Order**

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

**In re:**

**PINNACLE AIRLINES CORP., et al.,**

**Debtors.**

**Chapter 11**

**Case No. 12-12-11343 (REG)**

**(Jointly Administered)**

**ORDER ESTABLISHING PROCEDURES FOR THE REJECTION OF EXECUTORY  
CONTRACTS AND UNEXPIRED LEASES AND  
FOR THE ABANDONMENT OF PERSONAL PROPERTY**

Upon the motion (the “**Motion**”)<sup>1</sup> of Pinnacle Airlines Corp. and its subsidiaries that are debtors and debtors in possession in these proceedings (collectively, the “**Debtors**”), for authorization to establish Procedures pursuant to (i) sections 105(a) and 365(a) of the Bankruptcy Code and Bankruptcy Rule 6006, for the ongoing rejection of Contracts and Leases and (ii) sections 105(a) and 554(a) of the Bankruptcy Code, for the abandonment of Expendable Property, as more fully described in the Motion; and the Court having jurisdiction to consider the Motion and the relief requested therein pursuant to 28 U.S.C. § 1334 and Standing Order M-61 Referring to Bankruptcy Judges for the Southern District of New York Any and All Proceedings Under Title 11, dated July 10, 1984 (Ward, Acting C.J.) as amended by Standing Order M-431, dated February 1, 2012 (Preska, C.J.); and consideration of the Motion and the requested relief being a core proceeding the Bankruptcy Court can determine pursuant to 28 U.S.C. § 157(b); and venue being proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409; and due and proper notice of the Motion having been provided in accordance with the Case Management Orders and it appearing that no other or further notice need be provided; and the relief requested

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<sup>1</sup> Unless otherwise defined herein, each capitalized term shall have the meaning ascribed to such term in the Motion.

in the Motion being in the best interests of the Debtors and their estates and creditors; and the Court having reviewed the Motion; and the Court having determined that the legal and factual bases set forth in the Motion establish just cause for the relief granted herein; and upon all of the proceedings had before the Court and after due deliberation and sufficient cause appearing therefor, it is

ORDERED that the relief requested in the Motion is hereby granted as set forth herein; and it is further

ORDERED that if the Procedures conflict with the Order Granting Debtors' Motion for an Order Establishing Certain Notice, Case Management and Administrative Procedures entered on April 3, 2012 [ECF No. 42] (the "**Debtors' CMO**"), the Procedures shall control with respect to the rejection of executory contracts and unexpired leases and the abandonment of personal property. In all other circumstances, except as otherwise provided by separate order, the Debtors' CMO shall govern; and it is further

ORDERED that the following procedures (the "**Procedures**") are hereby approved as set forth in this Order and may be implemented in the Debtors' chapter 11 cases:

#### **The Procedures**

1. Once the Debtors have determined to reject a Contract or Lease or abandon Expendable Property, the Debtors may prepare a written notice (the "**Notice**") of the Debtors' intent to reject such Contract or Lease or abandon such Expendable Property. The Notice, substantially in the form attached to the Motion as Exhibit B, shall include the following information: (i) the identity of the Debtor parties to each such Contracts and Leases proposed to be rejected; (ii) the identity of the known counterparties to each such Contract and Lease; (iii) for any Leases of nonresidential real property proposed to be rejected, the location of the real property at issue; (iv) for Expendable Property proposed to be abandoned, a description and

location of the Expendable Property and to whom such property shall be abandoned; and (v) the date the rejection of each Contract or Lease will become effective.

2. The Debtors shall file the Notice with the Court and serve the Notice, along with a copy of this Order, on (i) the known counterparties to the Contracts and Leases to be rejected; (ii) any additional parties entitled to notice pursuant to the terms of the rejected Contracts and Leases; (iii) for Expendable Property, all parties known to the Debtors as having a direct interest in any Expendable Property proposed to be abandoned; (iv) the Office of the United States Trustee for the Southern District of New York (the “**U.S. Trustee**”); and (v) proposed counsel to the official committee of unsecured creditors.

3. The deadline for the filing of an objection (“**Objection**”) to the proposed rejection of a Contract or Lease or the abandonment of any Expendable Property shall be 4:00 p.m. (prevailing Eastern Time) on the date that is 10 days from the date the Notice is filed and served (the “**Objection Deadline**”). The Objection Deadline may be extended with the written consent of the Debtors.

4. An Objection shall be considered timely only if filed with the Court, One Bowling Green, New York, New York 10004-1408, and actually received by the following parties on or before the Objection Deadline: (i) the U.S. Trustee, 33 Whitehall Street, 21st Floor, New York, New York 10004 Attn: Elisabetta G. Gasparini and Susan D. Golden, (ii) the proposed counsel to the Debtors, Davis Polk & Wardwell LLP, 450 Lexington Avenue, New York, New York 10017, Attn: Marshall S. Huebner, Damian S. Schaible and (iii) proposed counsel to the official committee of unsecured creditors, Morrison & Foerster LLP, 1290 Avenue of the Americas, New York, New York 10104, Attn: Brett H. Miller, Lorenzo Marinuzzi and Todd M. Goren.



5. A reply to an Objection may be filed with the Court and served in accordance with these Procedures on or before 12:00 p.m. (prevailing Eastern Time) on the day that is two days before the date of the applicable hearing.

6. As soon as practicable after the passage of the Objection Deadline, the Debtors shall submit to the Court a proposed order (the “**Proposed Order**”), which Proposed Order shall be entered with no further notice or opportunity to be heard afforded to any party. The Proposed Order shall include the following, as applicable: (i) for rejection of Contracts and Leases where no Objection is filed and the applicable deadline to file an Objection has passed, the Proposed Order shall provide that the Contracts and Leases are rejected as of the date set forth in the applicable Notice for each Contract or Lease or as otherwise agreed by the Debtors and the applicable counterparty to such Contract or Lease, (ii) for the abandonment of Expendable Property, where no Objection is filed and the applicable deadline to file an Objection has passed, the Proposed Order shall provide that the abandonment of Expendable Property is effective as of the effective date of the rejection of the Lease associated with the abandoned Expendable Property and that, unless otherwise specified, the Expendable Property shall be abandoned to the lessor or sublessor party to the Lease associated with such Expendable Property and (iii) for the rejection of Contracts and Leases and abandonment of Expendable Property where an Objection has been filed and resolved by the parties, the Proposed Order shall provide for the rejection of the Contracts and Leases and the abandonment of the Expendable Property in accordance with the agreement of the parties.

7. If an Objection has been timely and properly filed to the proposed rejection of a Contract or Lease or abandonment of Expendable Property, and such Objection has not been resolved by the parties, the Debtors may schedule the matter for an omnibus hearing; *provided,*

*however*, that the filing of any such Objection shall not delay the entry of an order authorizing the rejection of any Contract or Lease or the abandonment of any Expendable Property set forth in a Notice for which no Objection has timely been filed.

8. If the disputed rejection or abandonment is approved, the Contract or Lease subject to the Objection shall be deemed rejected as of the date set forth in the applicable Notice for any such disputed Contract or Lease (or as otherwise agreed to by the Debtors and any objector), and the abandonment of Expendable Property subject to the Objection shall be deemed effective as of the effective date of the rejection of the Lease associated with the abandoned Expendable Property;  
and it is further

ORDERED that without further order of this Court, all counterparties to any Contract or Lease are prohibited from setting off or otherwise utilizing any monies deposited by the Debtors with such counterparty as a security deposit or pursuant to another similar arrangement; and it is further

ORDERED that the holder of any claim for damages arising from the rejection of any Contract or Lease or abandonment of Expendable Property is required to timely file a proof of claim on account of such claim against the Debtors in accordance with any order pursuant to Bankruptcy Rule 3003(c) establishing a deadline for filing prepetition claims (the “**Bar Date**”), on or before the later of (i) the Bar Date or (ii) 30 days after the effective date of the rejection or abandonment to which the claim relates. Any claim not so filed shall be irrevocably barred; and it is further

ORDERED that the Debtors shall be authorized to execute and deliver all instruments and documents, and take such other actions as may be necessary or appropriate to implement and effectuate the Procedures; and it is further

ORDERED that entry of this Order shall be without prejudice to the Debtors' rights to seek further, other or different relief regarding the Contracts and Leases or abandonment of Expendable Property; and it is further

ORDERED that the Procedures and terms of this Order shall not apply with respect to Contracts or Leases (a) between any Debtor and any governmental airport authority, airport board or other airport owner or operator related to the use of or services at airports or (b) that are security agreements, leases or conditional sale contracts to sell, lease or otherwise retain or dispose of aircraft, aircraft engines, propellers, appliances or spare parts as such terms are used in section 1110 of the Bankruptcy Code.

ORDERED that any period of time prescribed or allowed by these Procedures shall be computed in accordance with Bankruptcy Rule 9006; and it is further

ORDERED that the Procedures satisfy Bankruptcy Rules 6006 and 6007 and Local Bankruptcy Rules 6006-1(a) and 9006-1; and it is further

ORDERED that the notice procedures set forth in the Motion are good and sufficient notice and satisfy Bankruptcy Rule 9014 by providing the counterparties with a notice and an opportunity to object and be heard at a hearing; and it is further

ORDERED that the description of Expendable Property in the Motion, coupled with the information to be provided in Schedule A to each Notice, satisfy Local Bankruptcy Rule 6007-1.

Dated: New York, New York

**April 23, 2012**

*/s/ Robert E. Gerber*

THE HONORABLE ROBERT E. GERBER  
UNITED STATES BANKRUPTCY JUDGE