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**Hearing Date: March 8, 2017 at 11 a.m.**

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UNITED STATES BANKRUPTCY COURT  
Southern DISTRICT OF NEW YORK

In re:

IN RE REPUBLIC AIRWAYS HOLDINGS  
INC., *et al.*,<sup>1</sup>

Debtors.

CHAPTER 11 CASE

CASE NO. 16-10429 (SHL)

JOINTLY ADMINISTERED

**WELLS FARGO BANK NORTHWEST, N.A.’S, AS OWNER TRUSTEE, AND ALF VI,  
INC.’S, AS OWNER PARTICIPANT, AS HOLDERS OF CLAIMS ARISING FROM  
REJECTIONS OF LEASE TRANSACTIONS FOR N286SK, N561RP, N562RP, N287SK,  
N288SK, N563RP AND N259JQ, (A) RESPONSE TO DEBTORS PROPOSED FORM OF  
CONFIRMATION ORDER AND (B) MOTION TO STRIKE PORTIONS OF  
DECLARATIONS SUBMITTED BY DEBTORS IN SUPPORT OF CONFIRMATION**

Wells Fargo Bank Northwest, N.A., as owner trustee (the “*Owner trustee*”), and ALF VI,  
Inc., as owner participant (the “*Owner Participant*”, and along with the Owner Trustee, the  
“*Residco Parties*”), by their undersigned counsel, hereby submit this (a) response to the form of

<sup>1</sup> The Debtors in these chapter 11 cases are the following entities (collectively, the “Debtors”): Republic Airways Services, Inc.; Shuttle America Corporation (“Shuttle”); Republic Airline Inc. (“Republic Airline”, and along with Shuttle, the “Subsidiary-Lessee Debtor”); Republic Airways Holdings Inc. (the “Parent-Guarantor Debtor”); Midwest Air Group, Inc.; Midwest Airlines, Inc.; and Skyway Airlines, Inc.

the Proposed Order Confirming Second Amended Joint Plan of Reorganization under Chapter 11 of the Bankruptcy Code, filed by the Debtors on March 1, 2017 [Docket No. 1560] (the “Debtors’ Proposed Confirmation Order”), and (b) objection and motion to strike certain portions of (i) that certain Declaration of Bryan K. Bedford in Support of Confirmation of Debtors’ Second Amended Joint Plan of Reorganization under Chapter 11 of the Bankruptcy Code, dated March 1, 2017 [Docket 1553] (the “Bedford Declaration”), and (ii) that certain Declaration of Joseph P. Allman in Support of Confirmation of Debtors’ Second Amended Joint Plan of Reorganization under Chapter 11 of the Bankruptcy Code, dated March 1, 2017 [Docket 1553] (the “Allman Declaration”).

### **BACKGROUND FACTS**

1. On February 23, 2017, the Residco Parties filed their Objection to Confirmation of Debtors’ Second Amended Joint Plan of Reorganization by Wells Fargo Bank Northwest, N.A., as Owner Trustee, and ALF VI, Inc., as Owner Participant, as Holders of Claims Arising From Rejections of Lease Transactions for N286SK, N561RP, N562RP, N287SK, N288SK, N563RP and N259JQ (the “Residco Objection”) [Docket No. 1534], pursuant to which they objected to the Proposed Plan on the bases that (i) the substantive consolidation provisions proposed therein were (a) unclear as to the treatment of the Residco Parties’ claims against the Parent-Guarantor Debtor under the Parent Guarantee, and (b) fatally defective, especially under the restrictive requirements for substantive consolidation in the Second Circuit, and (ii) the Proposed Plan did not meet the “same treatment” requirements of Bankruptcy Code Section 1123(a)(4).

2. In response to the Residco Objection, on March 1, 2017, (a) the Debtors filed a response, dated March 1, 2017 [Docket No. 1559] (the “Debtors’ Response”), and (b) the

Official Committee of Unsecured Creditors (the “Committee”, and along with the Debtors, the “Plan Proponents”) filed a reply, dated March 1, 2017 [Docket No. 1558] (the “Committee’s Response”, and along with the Debtor’s Response, the “Plan Proponents’ Responses”).

3. On March 6, 2017, the Residco Parties filed a motion seeking leave to file a reply to respond to the new matters raised by (a) the Debtors’ Response and (b) the Committee’s Response, and attached the form of their reply to such motion (the “Residco Reply”).

### **RESPONSE AND MOTION TO STRIKE**

4. By this Response and Motion to Strike, the Residco Claimants hereby (a) submit comments to the Debtors’ Proposed Confirmation Order, (b) object and seek to strike certain portions of the Bedford Declaration, and (c) object and seek to strike certain portions of the Allman Declaration, in each case, in conformance with the objections and replies set forth in the Residco Objection and the Residco Reply.

5. The Residco Parties comments to the Confirmation Order are set forth in the markup annexed hereto in Exhibit A hereto (“Residco’s Proposed Confirmation Order”). The Residco Parties have revised the Confirmation Order to reflect, among other matters, (a) their current objections to the Proposed Plan, (b) their proposed clarification regarding the Substantive Consolidation Provisions to reflect the Average Claims Treatment and (c) the addition of a provision relating to the requirement for reserves to be maintained for Disputed Claims (as defined in the Proposed Plan).

6. The Residco Parties object to and hereby seek to strike certain portions of the Bedford Declaration and the Allman Declaration, as more particularly set forth in Exhibit B

hereto. The Residco Parties are hereby interposing these objections in conjunction with their objections to the Proposed Plan.

WHEREFORE, the Residco Parties respectfully submit the foregoing Response and Motion to Strike and requests that (i) either (a) this Court approve and enter Residco's Proposed Confirmation Order (and not to enter the Debtors' Proposed Confirmation Order) or (b) this Court deny confirmation of the Proposed Plan based upon the objections raised in the Residco Objection and the Residco Reply, (ii) that this Court strike the portions of the Bedford Declaration and the Allman Declaration as requested by the Residco Parties herein (as set forth in Exhibit B hereto), and (iii) this Court grant such other and further relief as this Court deems just and proper.

Dated: New York, New York  
March 6, 2017

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# **EXHIBIT A**

**Residco's Proposed Confirmation Order**

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

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**In re** : **Chapter 11 Case No.**  
**REPUBLIC AIRWAYS HOLDINGS INC., et al.,** : **16-10429 (SHL)**  
**Debtors.<sup>1</sup>** : **(Jointly Administered)**

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**ORDER CONFIRMING SECOND AMENDED JOINT PLAN OF  
REORGANIZATION UNDER CHAPTER 11 OF THE BANKRUPTCY CODE**

Republic Airways Holdings Inc. (“RAH”), and certain of its wholly-owned direct and indirect subsidiaries, as debtors and debtors in possession in the above-captioned chapter 11 cases (collectively with RAH, “Republic” or the “Debtors”) having proposed and filed the Debtors’ Second Amended Joint Plan of Reorganization Under Chapter 11 of the Bankruptcy Code [Docket No. 1311] (as it has been or may be subsequently amended or modified in accordance with its respective terms and the Bankruptcy Code, the “Plan”),<sup>2</sup> attached hereto as Exhibit A, and the Plan Supplement [Docket No. 1468] (as it has been or may be subsequently amended or modified in accordance with its respective terms and the Bankruptcy Code, the “Plan Supplement” and together with the Plan, the “Plan Documents”); and the Disclosure Statement having been approved by the Court by order dated December 23, 2016 (the “Original Disclosure Statement Order”) [Docket No. 1358], which was supplemented by orders dated January 24, 2017 and February 10, 2017 (the “Supplements to the Disclosure Statement Order,” and together

<sup>1</sup>. The Debtors in these chapter 11 cases are the following entities: Republic Airways Holdings Inc.; Republic Airways Services, Inc.; Republic Airline Inc.; Shuttle America Corporation; Midwest Air Group, Inc.; Midwest Airlines, Inc.; and Skyway Airlines, Inc. On January 31, 2017, Shuttle America Corporation was merged with and into Republic Airline Inc. in accordance with the *Order Pursuant to Sections 105(a) and 363(b) of the Bankruptcy Code and Bankruptcy Rule 6004 for Approval of (I) Merger of Shuttle America Corporation Into Republic Airline Inc., and (II) Surrender of the Shuttle America Corporation Air Carrier Certificate*, entered on November 28, 2016 [Docket No. 1236]. The Debtors’ employer tax identification numbers and addresses are set forth in their respective chapter 11 petitions.

<sup>2</sup>. Capitalized terms used but not defined herein shall have the meanings ascribed to such terms in the Plan.

with the Original Disclosure Statement Order, the “Disclosure Statement Order”) [Docket No. 1432, 1472]; and due notice of (i) entry of the Disclosure Statement Order, (ii) the hearing on confirmation of the Plan (the “Confirmation Hearing”), and (iii) the deadline for voting on, and/or objecting to, the Plan having been provided to holders of Claims against and Interests in the Debtors and other parties in interest, as established by the certificates of service and mailing filed with the Court, in accordance with the Disclosure Statement Order, the Bankruptcy Code, and the Bankruptcy Rules; and such notice being sufficient, and no further notice being required; and a hearing having been held before the Court on March 8, 2017 to consider confirmation of the Plan; and based upon and after full consideration of the entire record of the Confirmation Hearing, including (A) the Plan Documents, the Disclosure Statement, and the Disclosure Statement Order, (B) the Memorandum of Law in Support of Confirmation of the Second Amended Joint Plan of Reorganization Under Chapter 11 of the Bankruptcy Code and in Reply to Responses to the Plan [Docket No. 1557] (the “Confirmation Brief”), (C) Debtors’ Response to Objection to Confirmation of Debtors’ Second Amended Joint Plan of Reorganization by Wells Fargo Bank Northwest, N.A., as Owner Trustee, and ALF VI, Inc., as Owner Participant, as Holders of Claims Arising from Rejections of Lease Transactions for N286SK, N561RP, N562RP, N287SK, N288SK, N563RP and N259JQ [Docket No. 1559] (the “Reply”), (D) the Declaration of Bryan K. Bedford in Support of Confirmation of the Second Amended Joint Plan of Reorganization Under Chapter 11 of the Bankruptcy Code [Docket No. 1553] (the “Bedford Declaration”), (E) the Declaration of Joseph P. Allman in Support of Confirmation of the Second Amended Joint Plan of Reorganization Under Chapter 11 of the Bankruptcy Code [Docket No. 1554] (the “Allman Declaration”), (F) the Declaration of John Luth in Support of the Second Amended Joint Plan of Reorganization Under Chapter 11 of the Bankruptcy Code [Docket No.

1556] (the “Luth Declaration”); (G) the Declaration of Ginger Hughes in Support of Confirmation of the Second Amended Joint Plan of Reorganization Under Chapter 11 of the Bankruptcy Code [Docket No. 1555] (the “Hughes Declaration”), (H) the Affidavit of Service of Solicitation Materials [Docket No. 1398] (the “Solicitation Affidavit”), and (I) the Certification of Prime Clerk LLC Regarding the Solicitation of Votes and Tabulations of Ballots Cast on the Debtors’ Second Amended Joint Plan of Reorganization Under Chapter 11 of the Bankruptcy Code [Docket No. 1552] (the “Vote Certification”); and the Court having reviewed and considered the Plan Documents, the Disclosure Statement, the Disclosure Statement Order, the Confirmation Brief, the Reply, the Bedford Declaration, the Allman Declaration, the Luth Declaration, the Hughes Declaration, the Solicitation Affidavit, and the Vote Certification; and the Court having considered all objections to confirmation of the Plan (the “Objections”); [\[and](#) all Objections having been withdrawn, overruled, mooted, resolved, or otherwise denied as set forth in the record of the Confirmation Hearing<sup>[3](#)</sup>, which record is incorporated herein; and the Court being fully familiar with, and having taken judicial notice of, the entire record of the Debtors’ Chapter 11 Cases; and upon the appearance of all interested parties having been duly noted on the record of the Confirmation Hearing; and upon all of the proceedings held before the Court and upon the entire record of the Confirmation Hearing, including the evidence admitted at the Confirmation Hearing, the Court having determined that the Plan should be confirmed as reflected by the Court’s rulings made herein and on the record of the Confirmation Hearing; and after due deliberation and sufficient cause appearing therefor, it is hereby DETERMINED AND FOUND:

<sup>3</sup> [This language may need to be revised based upon the Court’s rulings relating to the Residco Parties’ Objection.](#)



### **FINDINGS OF FACT AND CONCLUSIONS OF LAW**

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

B. Judicial Notice. The Court takes judicial notice of the docket of the Chapter 11 Cases maintained by the Clerk of the Court, including, without limitation, all pleadings and other documents filed, all orders entered, and all evidence admitted and arguments made at the hearings held before the Court during the pendency of the Chapter 11 Cases.

A. Exclusive Jurisdiction; Core Proceeding; Venue. This Court has jurisdiction over the Chapter 11 Cases and to confirm the Plan pursuant to 28 U.S.C. § 1334. Confirmation of the Plan is a core proceeding pursuant to 28 U.S.C. § 157(b), and the Court has exclusive jurisdiction to determine whether the Plan complies with the applicable provisions of the Bankruptcy Code and should be confirmed. Venue is proper before this Court and in this District pursuant to 28 U.S.C. §§ 1408 and 1409.

B. Commencement and Administration of the Chapter 11 Cases. On February 25, 2016 (the "Commencement Date"), the Debtors commenced voluntary cases under chapter 11 of the Bankruptcy Code. By order of the Court, the Chapter 11 Cases have been consolidated for procedural purposes only and are being jointly administered pursuant to Bankruptcy Rule 2015. 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 these Chapter 11 Cases.

C. Official Committee of Unsecured Creditors. On March 4, 2016, the Office of the United States Trustee for the Southern District of New York (the “U.S. Trustee”) appointed an official committee of unsecured creditors pursuant to section 1102 of the Bankruptcy Code (the “Committee”).

D. Solicitation and Notice. On December 23, 2016, the Court entered the Original Disclosure Statement Order, which was supplemented on January 24, 2017 and February 10, 2017 by the Supplements to the Disclosure Statement Order, which, among other things, approved the Disclosure Statement, finding that it contained “adequate information” within the meaning of section 1125 of the Bankruptcy Code, and established procedures for the Debtors’ solicitation of votes with respect to the Plan. As described in the Solicitation Affidavit, packages containing (a) notice of the Confirmation Hearing, (b) the Original Disclosure Statement Order, (c) the Disclosure Statement (with a copy of the Plan attached thereto and other related exhibits), (d) a letter from the Committee in support of the Plan, and (e) the appropriate ballots for voting on the Plan (the “Ballots”) (collectively, the “Solicitation Packages”) were served in compliance with the Bankruptcy Code, Bankruptcy Rules, and the Disclosure Statement Order. The service of the Solicitation Packages, as set forth in the Solicitation Affidavit, was adequate and sufficient under the circumstances of these Chapter 11 Cases, provided adequate and sufficient notice of the Confirmation Hearing, the Voting Deadline, and the deadline for objecting to the Plan, was in compliance with the Bankruptcy Code, the Bankruptcy Rules, the Disclosure Statement Order, and any other applicable orders and rulings of the Court, and provided due process to all parties in interest in these Chapter 11 Cases. The filing of the Plan and the Confirmation Hearing constitute adequate notice in accordance with Bankruptcy Rule 3019.

E. Voting. Votes to accept or reject the Plan were solicited contemporaneously with the Disclosure Statement that contained “adequate information” as defined in section 1125 of the Bankruptcy Code. As evidenced by the Vote Certification, votes to accept or reject the Plan have been solicited and tabulated fairly, in good faith, and in a manner consistent with the Disclosure Statement Order, the Bankruptcy Code, and the Bankruptcy Rules.

F. Voting Stipulations. The Debtors entered into voting stipulations with each of American, Delta, and United that were approved by the Bankruptcy Court on February 23, 2017 [Docket Nos. 1530, 1531, and 1532] (the “Voting Stipulations”)

G. Plan Supplement. On February 8, 2017 the Debtors filed the Plan Supplement, which included the following documents and schedules: (i) the Amended Certificate of Incorporation; (ii) the Amended Bylaws; (iii) a list of the Management Agreements; (iv) the Management Equity Plan; (v) the Stockholders Agreement; (vi) the identity of the Reorganized Board and the initial chair of the Reorganized Board; (vii) Schedule 9.1 (Assumed Executory Contracts and Unexpired Leases); and (viii) Schedule 11.12 (Retained Causes of Action). All such materials comply with, and are necessary to the implementation of, the terms of the Plan, the filing and notice of such documents is good and proper in accordance with the Bankruptcy Code, the Bankruptcy Rules, and the Disclosure Statement Order, and no other or further notice is or shall be required.

**Compliance with Section 1129 of the Bankruptcy Code**

H. Burden of Proof. The Debtors have met their burden of proving the elements of sections 1129(a) and (b) of the Bankruptcy Code by a preponderance of the evidence, which is the applicable standard.

I. Bankruptcy Rule 3016(a). The Plan is dated and identifies the Debtors as the proponents of the Plan, thereby satisfying the requirements of Bankruptcy Rule 3016(a).

J. Plan Compliance with Applicable Provisions of the Bankruptcy Code (11 U.S.C. § 1129(a)(1)). The Plan complies fully with the requirements of sections 1122 and 1123 as well as with all other applicable provisions of the Bankruptcy Code, thereby satisfying section 1129(a)(1) of the Bankruptcy Code.

(i) Proper Classification (11 U.S.C. §§ 1122, 1123(a)(1)). As required by section 1123(a)(1) of the Bankruptcy Code, in addition to Administrative Claims and Priority Tax Claims, which need not be classified, Article 3 of the Plan designates eleven (11) Classes of Claims and two (2) Classes of Interests. The designated Classes are as follows: Class 1(a) (Other Priority Claims (Consolidated Debtors)), Class 1(b) (Other Priority Claims (MAGI)), Class 1(c) (Other Priority Claims (Midwest)), Class 1(d) (Other Priority Claims (Skyway)), Class 2(a) (Reinstated Aircraft Secured Claims (Consolidated Debtors)), Class 2(b) (Other Secured Claims (Consolidated Debtors)), Class 3(a) (General Unsecured Claims (Consolidated Debtors)), Class 3(b) (General Unsecured Claims (MAGI)), Class 3(c) (General Unsecured Claims (Midwest)), Class 3(d) (General Unsecured Claims (Skyway)), Class 4 (Section 510(b) Claims), Class 5 (Interests in RAH), and Class 6 (Subsidiary Interests). As required by section 1122(a) of the Bankruptcy Code, each of the Claims or Interests, as the case may be, in each particular Class is substantially similar to the other Claims or Interests in such Class. Valid business, factual, and legal reasons exist for separately classifying the various Claims and

Interests created under the Plan, and such Classes do not unfairly discriminate between holders of Claims and Interests or prejudice the rights of holders of such Claims and Interests. The classification of Claims and Interests in the Plan is reasonable and necessary to implement the Plan. The Plan adequately and properly classifies all Claims and Interests and therefore satisfies the requirements of sections 1122 and 1123(a)(1) of the Bankruptcy Code.

(ii) Specified Unimpaired Classes (11 U.S.C. § 1123(a)(2)). Article 4 of the Plan specifies that Classes 1(a)-(d) (Other Priority Claims), Class 2(a) (Reinstated Aircraft Secured Claims), and Class 2(b) (Other Secured Claims) are unimpaired by the Plan, thereby satisfying the requirements of section 1123(a)(2) of the Bankruptcy Code.

(iii) Specified Treatment of Impaired Classes (11 U.S.C. § 1123(a)(3)). Article 4 of the Plan designates Classes 3(a)-(d) (General Unsecured Claims), Class 4 (Section 510(b) Claims), Class 5 (Interests in RAH), and Class 6 (Subsidiary Interests) as impaired, and Section 4.3(d)-(h) of the Plan specifies the treatment of such Claims and Interests in such Classes, thereby satisfying the requirements of section 1123(a)(3) of the Bankruptcy Code.

(iv) No Discrimination (11 U.S.C. § 1123(a)(4)). The Plan Documents provide for the same treatment for each Claim against or Interest in each Debtor in each respective Class unless the holder of a particular Claim or Interest has agreed to less favorable treatment on account of such Claim or Interest, thereby satisfying the requirements of section 1123(a)(4) of the Bankruptcy Code.

(v) Implementation of the Plan (11 U.S.C. § 1123(a)(5)). The Plan Documents provide adequate and proper means for implementation of the Plan, including, without limitation, (i) the deemed substantive consolidation of RAH, Republic Airline, and RASI, (ii) the liquidation and dissolution of nonoperating subsidiaries MAGI, Midwest, and

Skyway, and (iii) the reorganization and continued operation of RAH, Republic Airline, and RASI, thereby satisfying the requirements of section 1123(a)(5) of the Bankruptcy Code.

(vi) Non-Voting Equity Securities (11 U.S.C. § 1123(a)(6)). As set forth in Section 10.2 of the Plan, the Amended Certificate of Incorporation, the Amended Bylaws, and the amended certificates of incorporation for each of the other Reorganized Debtors will conform to section 1123(a)(6) of the Bankruptcy Code's prohibition on the issuance of nonvoting equity securities. Therefore, the applicable postconfirmation organizational documents comply with the requirements of section 1123(a)(6) of the Bankruptcy Code.

(vii) Officers, Directors, or Trustee (11 U.S.C. § 1123(a)(7)). As set forth in Section 10.3 of the Plan, the initial board of directors of Reorganized RAH will consist of seven (7) directors, including six (6) selected by the Committee in consultation with the Debtors and disclosed in the Plan Supplement and one (1) director who shall be Mr. Bryan Bedford, the current Chairman of the Board, President, and Chief Executive Officer of RAH. The Debtors filed with the Court, as part of the Plan Supplement, a list of the members of the Reorganized Board. The replacement of members of the Reorganized Board will be in accordance with the Stockholders Agreement or the Amended Bylaws, as applicable. The boards of directors of each of the Consolidated Debtors other than Reorganized RAH shall be the same as the RAH Board. With respect to officers of the Consolidated Debtors, Section 10.3(c) of the Plan provides that the existing officers of each of the Debtors shall remain in office on and after the effective date. The Plan Documents contain provisions regarding the manner of selection of the initial Reorganized Board and officers of the Consolidated Debtors, and any successors to such directors 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.

K. Additional Plan Provisions (11 U.S.C. § 1123(b)). The Plan's additional provisions are appropriate and consistent with the applicable provisions of the Bankruptcy Code, thereby satisfying section 1123(b) of the Bankruptcy Code. The failure to specifically address a provision of the Bankruptcy Code in this Order shall not diminish or impair the effectiveness of this Order.

(i) Impairment/Unimpairment of Classes of Claims and Interests (11 U.S.C. § 1123(b)(1)). Article 4 of the Plan lists Classes 1(a)-(d) (Other Priority Claims), Class 2(a) (Reinstated Aircraft Secured Claims), and Class 2(b) (Other Secured Claims) as unimpaired, and Classes 3(a)-(d) (General Unsecured Claims), Class 4 (Section 510(b) Claims), Class 5 (Interests in RAH), and Class 6 (Subsidiary Interests) as impaired and is therefore consistent with section 1123(b)(1) of the Bankruptcy Code.

(ii) Assumption of Executory Contracts and Unexpired Leases (11 U.S.C. § 1123(b)(2)). In accordance with section 1123(b)(2) of the Bankruptcy Code, Section 9.1 of the Plan provides that all executory contracts and unexpired leases to which any of the Debtors are parties automatically shall be deemed rejected as of the Effective Date, except for executory contracts or unexpired leases that have (i) been assumed or rejected pursuant to an order of the Bankruptcy Court entered prior to the Effective Date, (ii) been the subject of a motion to assume or reject pending on the Effective Date, (iii) been listed on Schedule 9.1 to the Plan Supplement, or (iv) been the subject of a Treatment Objection that has been filed and properly served by the Treatment Objection Deadline. If an executory contract or unexpired lease (x) has been assumed or rejected pursuant to an order of the Court entered prior to the Effective Date or (y) is the subject of a separate motion to assume or reject pending on the Confirmation Date, then the

listing of any such executory contract or unexpired lease on Schedule 9.1 of the Plan Supplement shall be of no effect.

(iii) Settlement or Retention of Claims or Interests (11 U.S.C. § 1123(b)(3)).

Section 11.13 of the Plan provides that, from and after the Effective Date, the Consolidated Debtors waive and release all Avoidance Actions pursuant to section 547 of the Bankruptcy Code unless such Avoidance Action is listed on Schedule 11.12 to the Plan Supplement; provided that, except as expressly provided in Article 11 of the Plan or this Confirmation Order, the Post-Effective Date Debtors will retain the right to assert any Claims assertable in any Avoidance Action as defenses or counterclaims in any Cause of Action brought by any Creditor. The Post-Effective Date Debtors shall retain the right, after the Effective Date, to prosecute any of the Avoidance Actions listed on Schedule 11.12 to the Plan Supplement.

(iv) Other Provisions Not Inconsistent With Provisions of the Bankruptcy Code (11 U.S.C. § 1123(b)(6)). Article 14 of the Plan provides for the Court's jurisdiction over, without limitation, the enumerated matters therein consistent with applicable law.

(v) Cure of Defaults (11 U.S.C. § 1123(d)). Section 9.3 of the Plan provides for the satisfaction of default claims associated with any executory contract and unexpired lease to be assumed pursuant to the Plan in accordance with section 365(b) of the Bankruptcy Code. The cure amounts identified in Schedule 9.1 of the Plan Supplement represent the amount, if any, that the Debtors propose to pay in full and complete satisfaction of such default claims. The Cure amounts reflect a reasonable and good faith exercise of the Debtors' business judgment and are in accordance with the underlying agreements and applicable bankruptcy and nonbankruptcy law, and in some cases, reflect a consensual agreement with the non-Debtor counterparty. Accordingly, the Plan complies with section 1123(d) of the Bankruptcy Code.



L. Debtors' Compliance with the Bankruptcy Code (11 U.S.C. § 1129(a)(2)).

The Debtors have complied with the applicable provisions of the Bankruptcy Code, thereby satisfying the requirements of section 1129(a)(2) of the Bankruptcy Code. Specifically:

(i) The Debtors are proper debtors under section 109 of the Bankruptcy Code.

(ii) The Debtors have complied with all applicable provisions of the Bankruptcy Code, except as otherwise provided or permitted by orders of the Court.

(iii) The Debtors have complied with the applicable provisions of the Bankruptcy Code, the Bankruptcy Rules, and the Disclosure Statement Order in transmitting the Plan, the Disclosure Statement, the Ballots, and related documents and notices, and in soliciting and tabulating votes to accept or reject the Plan.

M. Plan Proposed in Good Faith and Not by Any Means Forbidden by Law (11 U.S.C. § 1129(a)(3)). The Debtors have proposed the Plan Documents (and any other documents necessary to effectuate the Plan) in good faith and not by any means forbidden by law, thereby complying with section 1129(a)(3) of the Bankruptcy Code. The Debtors' good faith is evident from the Bedford Declaration and the record of these Chapter 11 Cases, including the record of the hearing to approve the Disclosure Statement and the record of the Confirmation Hearing. Based on the foregoing evidence, the Court finds and concludes that the Plan Documents have been proposed with the legitimate and honest purpose of reorganization of the Debtors and the distribution of value to Creditors. The Plan Documents are the result of extensive, arms'-length negotiations between and among the Debtors and their principal stakeholders. The terms of the Plan Documents were negotiated in good faith and at arms'-length and are fair, just, and reasonable under the circumstances. Consistent with the overriding purpose of chapter 11 of the Bankruptcy Code, the Plan is designed to allow the Debtors to

satisfy their obligations to the greatest extent possible. The Committee supports confirmation of the Plan. The Plan provides for a distribution of the value of the Debtors' Estates to their Creditors in accordance with the priorities and provisions of the Bankruptcy Code. Further, the Plan's classification of Claims and Interests, indemnification, exculpation, release, and injunction provisions have been negotiated in good faith and at arms' length and are consistent with sections 105, 1122, 1123(b)(3)(A), 1123(b)(6), 1129, and 1142 of the Bankruptcy Code, and each is necessary to the Debtors' successful emergence from chapter 11. Accordingly, the Plan Documents have been filed in good faith and the Debtors have satisfied their obligations under section 1129(a)(3) of the Bankruptcy Code.

N. Payments Made by the Debtors for Services or Costs and Expenses (11 U.S.C. § 1129(a)(4)). Section 3.4 of the Plan requires that each Professional seeking allowance by the Bankruptcy Court of Professional Fee Claims: (a) must file its final application for allowance of compensation for services rendered and reimbursement of expenses incurred through the last day of the calendar month immediately preceding the Effective Date on or before the Final Fee Application Deadline; and (b) if the Bankruptcy Court grants such an award, each such Professional will be paid in full in Cash by the Debtors, in such amounts as are allowed by the Bankruptcy Court pursuant to the provisions of the order of the Bankruptcy Court granting final allowance of compensation and reimbursement of expenses pursuant to section 330 of the Bankruptcy Code. All final applications for allowance and disbursement on account of Professional Fee Claims must be in compliance with all of the terms and provisions of any applicable order of the Bankruptcy Court, including this Confirmation Order. Pursuant to the Interim Compensation Order in these Chapter 11 Cases and section 331 of the Bankruptcy Code, any and all payments made, or to be made, by the Debtors for services or 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, have been approved by, or are subject to the approval of, the Court as reasonable under section 330 of the Bankruptcy Code. Accordingly, the requirements of section 1129(a)(4) of the Bankruptcy Code are satisfied.

O. 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 initial Reorganized Board were disclosed in the Plan Supplement, and the appointment to, or continuance in, such positions of such persons is consistent with the interests of creditors and equity security holders and with public policy. The identity of any insider that will be employed or retained by the Consolidated Debtors and the nature of such insider's compensation have also been fully disclosed.

P. Plan Does Not Contain Rate Changes (11 U.S.C. § 1129(a)(6)). Section 1129(a)(6) of the Bankruptcy Code is inapplicable to these Chapter 11 Cases.

Q. Best Interests of Creditors and Interest Holders (11 U.S.C. § 1129(a)(7)). The Plan satisfies section 1129(a)(7) of the Bankruptcy Code. The Disclosure Statement, the Plan Supplement, the Hughes Declaration, and the other evidence proffered or adduced at or before the Confirmation Hearing (i) are persuasive and credible, (ii) have not been controverted by other evidence, and (iii) establish that each holder of an impaired Claim or Equity Interest either has accepted the Plan or will receive or retain under the Plan, on account of such Claim or Equity Interest, property of a value, as of the Effective Date, that is not less than the amount such holder would receive or retain if the Debtors were liquidated under chapter 7 of the Bankruptcy Code on such date.

R. Acceptance by Certain Classes (11 U.S.C. § 1129(a)(8)).

(i) Classes 1(a)-(d) (Other Priority Claims), Class 2(a) (Reinstated Aircraft Secured Claims), and Class 2(b) (Other Secured Claims) are unimpaired by the Plan and, accordingly, holders of Claims in these Classes are conclusively presumed to have accepted the Plan pursuant to section 1126(f) of the Bankruptcy Code. Accordingly, as to Classes 1(a)-(d) and 2(a)-(b), section 1129(a)(8) of the Bankruptcy Code has been satisfied.

(ii) Class 3(a) (General Unsecured Claims) is impaired and entitled to vote on the Plan (the “Voting Class”). The Vote Certification establishes that the Voting Class has accepted the Plan in accordance with section 1126(c) of the Bankruptcy Code. Accordingly, as to the Voting Class, section 1129(a)(8) of the Bankruptcy Code has been satisfied.

(iii) Classes 3(b)-(d) (General Unsecured Claims), Class 4 (Section 510(b) Claims), and Class 5 (Interests in RAH) are impaired by the Plan and not entitled to receive or retain any property under the Plan on account of their Claims or Interests. These Classes are accordingly deemed to have rejected the Plan pursuant to section 1126(g) of the Bankruptcy Code.

(iv) Class 6 (Subsidiary Interests) is impaired by the Plan but has consented to the treatment described in the Plan. This Class is accordingly presumed to have accepted the Plan.

S. Treatment of Administrative Claims, Priority Tax Claims, and Other Priority Claims (11 U.S.C. § 1129(a)(9)). The treatment of Administrative Claims set forth in Sections 3.1, 3.2, 3.3, and 3.4 of the Plan satisfies the requirements of section 1129(a)(9)(A) of the Bankruptcy Code. The treatment of Priority Tax Claims set forth in Section 3.5 of the Plan satisfies the requirements of sections 1129(a)(9)(C) and (D) of the Bankruptcy Code.

Notwithstanding anything in the Plan to the contrary, except to the extent that a Creditor agrees to less favorable treatment, each holder of an Allowed Priority Tax Claims against any of the Debtors shall receive payment in full in Cash made on or as soon as reasonably practicable after the later of the Effective Date or 20 calendar days after the date such Claim is Allowed. The treatment of Other Priority Claims set forth in Section 4.3 of the Plan satisfies the requirements of section 1129(a)(9)(B) of the Bankruptcy Code. The Debtors have sufficient Cash to pay the Administrative Claims, Priority Tax Claims, and Other Priority Claims.

T. Acceptance By At Least One Impaired Class (11 U.S.C. § 1129(a)(10)).

The Voting Class, which is impaired pursuant to the Plan and entitled to vote, voted to accept the Plan by the requisite majority, determined without including any acceptance of the Plan by any insider, in accordance with section 1126 of the Bankruptcy Code, thereby satisfying the requirements of section 1129(a)(10) of the Bankruptcy Code.

U. Feasibility (11 U.S.C. § 1129(a)(11)). As demonstrated by the Allman Declaration, together with any additional evidence admitted at the Confirmation Hearing, the information provided in the Disclosure Statement (i) is persuasive and credible, (ii) has not been controverted by other evidence or validly challenged, and (iii) establishes that confirmation of the Plan is not likely to be followed by the liquidation, or the need for further financial reorganization, of the Consolidated Debtors, thus satisfying the requirements of section 1129(a)(11) of the Bankruptcy Code.

V. Payment of Fees (11 U.S.C. § 1129(a)(12)). Section 15.6 of the Plan provides that all fees payable under 28 U.S.C. § 1930(a), as well as interest and penalties payable under 31 U.S.C. § 3717, shall be paid by the Debtors for each quarter (including any fraction

thereof) until the Chapter 11 Cases are converted, dismissed, or closed. Therefore, the requirements of section 1129(a)(12) of the Bankruptcy Code are satisfied.

W. Continuation of Retiree Benefits (11 U.S.C. § 1129(a)(13)). The Plan provides for the continuation after the Effective Date of payment of all “retiree benefits” (as defined in section 1114 of the Bankruptcy Code) at the level established pursuant to sections 1114(e)(1)(B) or 1114(g) of the Bankruptcy Code at any time prior to confirmation of the Plan, for the duration of the period the Debtors have obligated themselves to provide such benefits. Therefore, the requirements of section 1129(a)(13) of the Bankruptcy Code are satisfied.

X. No Domestic Support Obligations (11 U.S.C. § 1129(a)(14)). The Debtors are not required by a judicial or administrative order, or by statute, to pay any domestic support obligations. Accordingly, section 1129(a)(14) of the Bankruptcy Code is inapplicable in these Chapter 11 Cases.

Y. Debtors Are Not Individuals (11 U.S.C. § 1129(a)(15)). The Debtors are not individuals and, accordingly, section 1129(a)(15) of the Bankruptcy Code is inapplicable in these Chapter 11 Cases.

Z. No Applicable Nonbankruptcy Law Regarding Transfers (11 U.S.C. § 1129(a)(16)). The Debtors are moneyed, business, or commercial corporations or trusts, as the case may be and, accordingly, section 1129(a)(16) of the Bankruptcy Code is inapplicable in these Chapter 11 Cases.

AA. No Unfair Discrimination; Fair and Equitable (11 U.S.C. § 1129(b)). The Debtors have requested that the Court confirm the Plan notwithstanding the fact that (i) the holders of Claims in Classes 3(b), 3(c), 3(d), 4, and 5 were impaired and deemed to reject the Plan (collectively, the “Rejecting Classes”). The Debtors have satisfied the requirements of

sections 1129(b)(1) and (b)(2) of the Bankruptcy Code with respect to the Rejecting Classes.

Based on the evidence admitted at the Confirmation Hearing and in the Bedford Declaration, the Plan does not discriminate unfairly and is fair and equitable with respect to the Rejecting Classes, as required by sections 1129(b)(1) and (b)(2) of the Bankruptcy Code. Thus, the Plan may be confirmed notwithstanding the rejection of the Plan by the Rejecting Classes. Upon confirmation and the occurrence of the Effective Date, the Plan shall be binding upon the members of the Rejecting Classes.

BB. Only One Plan (11 U.S.C. § 1129(c)). The Plan is the only plan filed in these Chapter 11 Cases and, accordingly, section 1129(c) of the Bankruptcy Code is satisfied.

CC. Principal Purpose of the Plan (11 U.S.C. § 1129(d)). The principal purpose of the Plan is not the avoidance of taxes or the avoidance of the application of Section 5 of the Securities Act of 1933, thereby satisfying the requirements of section 1129(d) of the Bankruptcy Code.

DD. Not Small Business Cases (11 U.S.C. § 1129(e)). None of the Chapter 11 Cases are small business cases, as that term is defined in the Bankruptcy Code, and accordingly, section 1129(e) of the Bankruptcy Code is inapplicable.

EE. Good Faith Solicitation (11 U.S.C. § 1125(e)). Based on the record before the Court in these Chapter 11 Cases and the Solicitation Affidavit, it appears that the Debtors have solicited acceptances of the Plan in good faith and in compliance with the applicable provisions of the Bankruptcy Code, including, without limitation, sections 1125(a) and (e) of the Bankruptcy Code, the Bankruptcy Rules, the Disclosure Statement Order, and any applicable non-bankruptcy law, rule, or regulation governing the adequacy of disclosure in connection with such solicitation.

FF. Substantive Consolidation. The evidence in support of the Plan, including declarations and other pleadings in support of the Plan that was proffered or adduced at or prior to the Confirmation Hearing established that [with the clarifications provided in paragraph 7 of this Confirmation Order](#), substantive consolidation is fair, equitable, and appropriate in these Chapter 11 Cases. Substantive consolidation of the Estates of the Debtors, however, shall not affect: (i) the legal or organizational structure of the Consolidated Debtors, (ii) pre- or post-Commencement Date Liens or security interests, (iii) pre- or post- Commencement Date guarantees that are required to be maintained (x) in connection with executory contracts or unexpired leases that were entered into during the Chapter 11 Cases or that have been or will be assumed, (y) in connection with agreements related to (1) Reinstated Aircraft Secured Claims or (2) Other Secured Claims that the Debtors elect to reinstate, or (z) pursuant to the Plan, (iv) defenses to any Cause of Action, or (v) distributions out of any insurance policies or proceeds of such policies.

GG. Resolution of Objections. All parties have had a full and fair opportunity to litigate all issues raised by Objections, or which might have been raised, and any Objections have been fully and fairly litigated. As presented at the Confirmation Hearing and as provided herein, any consensual resolutions of certain Objections, responses, statements, and comments in opposition to the Plan satisfy all applicable requirements of the Bankruptcy Code and the Bankruptcy Rules and are in the best interests of the Debtors, and are hereby approved.

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



## **Implementation and Consummation of the Plan**

II. Implementation. All documents necessary to implement the Plan and all other relevant and necessary documents have been negotiated in good faith and at arm's length and shall, upon execution of the documents and upon the occurrence of the Effective Date, constitute legal, valid, binding, enforceable, and authorized obligations of the respective parties thereto and will be enforceable in accordance with their terms. Pursuant to section 1142(a) of the Bankruptcy Code, the Plan Documents will apply and be enforceable notwithstanding any otherwise applicable non-bankruptcy law.

JJ. Good Faith. The Debtors and each of their respective officers, directors, employees, attorneys, advisors, insurers, investment bankers, consultants, managers, members, partners, agents, accountants, and other professionals, and their predecessors, successors, assigns, present and former affiliates (whether by operation of law or otherwise), and equity holders, in each case, in their respective capacities as such, as applicable, (i) have acted in good faith in negotiating, formulating, and proposing, where applicable, the Plan Documents and agreements, compromises, settlements, transactions, and transfers contemplated thereby, and (ii) will be acting in good faith in proceeding to (a) consummate the Plan Documents and the agreements, compromises, settlements, transactions, transfers, and documentation contemplated by the Plan Documents, and (b) take any actions authorized and directed or contemplated by this Order.

KK. Securities Exempt from Registration. The offer, issuance, and distribution of the New Common Stock is or was in exchange for Claims against the Debtors within the meaning of section 1145(a)(1) of the Bankruptcy Code.

LL. Releases, Discharge and Permanent Injunction, Limitation of Liability, and Exoneration. The Court has jurisdiction under sections 1334(a) and (b) of title 28 of the

United States Code and sections 105, 524, and 1141 of the Bankruptcy Code to approve the provisions with respect to the releases by the Debtors, voluntary releases by Creditors, injunction, limitation of liability, exoneration, and discharge/injunction set forth in Article 11 of the Plan. The releases by the Debtors set forth in Section 11.4, Section 11.8, and Section 11.13 of the Plan represent a valid exercise of the Debtors' business judgment and accordingly are appropriate under section 1123(b)(3)(A) of the Bankruptcy Code. The releases set forth in Section 11.9 of the Plan are deemed consented to by Creditors who submitted ballots and elected to consent to such releases, as permitted by the ballots. Creditors and Interest holders who were not entitled to vote and Creditors who submitted ballots that did not consent to such releases are deemed to have opted out of the releases set forth in Section 11.9 of the Plan. The exculpation provision set forth in Section 11.7 of the Plan is appropriately tailored to protect the Exculpated Parties from inappropriate litigation and does not relieve any party of liability for willful misconduct or gross negligence. The released parties pursuant to Section 11.8 have contributed substantial value to the Debtors and the formulation of the Plan. Such released parties' efforts in negotiating and ultimately formulating the Plan enabled the Debtors to file the Plan. The discharge and injunction set forth in Section 11.5 of the Plan complies with section 524(e) of the Bankruptcy Code and is important to the overall objectives of the Plan to finally resolve all claims against the Debtors in the Chapter 11 Cases. Based upon the record of these Chapter 11 Cases and the evidence admitted at or prior to the Confirmation Hearing, this Court finds that the releases, injunctions, and exonérations set forth in Article 11 of the Plan are consistent with the Bankruptcy Code and applicable law.

**ORDER**

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

1. Confirmation. All requirements for confirmation of the Plan have been satisfied. The Plan is CONFIRMED in its entirety pursuant to section 1129 of the Bankruptcy Code. The terms of the Plan, the Plan Supplement, and any other documents filed in connection with the Plan and/or executed or to be executed in connection with the transactions contemplated by the Plan, and all amendments and modifications thereof, are expressly incorporated into, and form an integral part of, this Order. A copy of the Plan in the form confirmed is annexed hereto as Exhibit A.

2. Objections. All Objections that have not been withdrawn or resolved prior to the entry of this Order are overruled in all respects for the reasons set forth in the record of the Confirmation Hearing, which record is incorporated herein. All withdrawn objections, if any, are deemed withdrawn with prejudice.

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

4. Implementation. The Debtors and the Post-Effective Date Debtors are authorized and directed to take all actions necessary, appropriate, or desirable to enter into, implement, and consummate the contracts, instruments, releases, leases, agreements, or other documents created or executed in connection with the Plan Documents. Without further order or authorization of this Court, the Debtors, the Post-Effective Date Debtors, and their successors are authorized and empowered to make all modifications to all Plan Documents that are consistent

with the Plan, including, without limitation, any modifications to Schedule 9.1 to the Plan Supplement necessitated subsequent to the hearing on pending Treatment Objections. Execution versions of the Plan Documents, where applicable, 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 security interests purported to be created thereby.

5. Modifications or Alterations to the Plan. To the extent the Plan has been modified, supplemented, or altered subsequent to solicitation, such modifications, supplements, and alterations constitute clarifications or technical changes, and do not materially adversely affect or change the treatment of any Claims or Interests. Accordingly, pursuant to Bankruptcy Rule 3019, such modifications or alterations, if any, do not require additional disclosure under section 1125 of the Bankruptcy Code or resolicitation of votes under section 1126 of the Bankruptcy Code, nor do they require that creditors and equity security holders be afforded an opportunity to change previously cast acceptances or rejections of the Plan.

6. Plan Classification Controlling. The classifications of Claims and Interests for purposes of the distributions to be made pursuant to the Plan shall be governed solely by the terms of the Plan. The classification set forth on the Ballots tendered or returned by the Debtors' 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 and Interests under the Plan for distribution purposes; and (c) shall not be binding on the Debtors, the Post-Effective Date Debtors, Creditors, or Interest holders for purposes other than

voting on the Plan. All rights of the Debtors and Post-Effective Date Debtors to seek to reclassify Claims are expressly reserved.

7. Substantive Consolidation's Effect Upon Primary and Guaranty Claims Allowed in Different Amounts. If any Claim against one of the Consolidated Debtors (including, without limitation, any Claim arising under any lease) (the "Primary Claim") and an associated guaranty Claim against another Consolidated Debtor (i.e., a claim arising under a guaranty) (the "Guaranty Claim") arising from the same transaction are allowed in different amounts, then for all purposes under the Plan (including for voting, confirmation, distributions, and the substantive consolidation provisions of the Plan), each such pair of Allowed Claims (i.e., such Allowed Primary Claim and Allowed Guaranty Claim in different amounts) shall be deemed to be Allowed, and for all purposes under the Plan shall be Allowed, in the amount equal to [the average of such Allowed Primary Claim and such Allowed Guaranty Claim][the higher of the following amounts (i) the amount of such Allowed Primary Claim and (ii) the amount of such Allowed Guaranty Claim].<sup>4</sup>

8. ~~7.~~ Binding Effect of Plan. Subject to the occurrence of the Effective Date, on and after the Confirmation Date, the provisions of the Plan shall bind (i) any holder of a Claim against, or Interest in, each Debtor and such holder's respective successors and assigns, whether or not the Claim or Interest is impaired under the Plan, whether or not such holder has accepted the Plan, and whether or not such holder is entitled to a distribution under the Plan, (ii) any and all non-Debtor parties to assumed executory contracts and unexpired leases with any of the Debtors, (iii) any parties that have objected to confirmation of the Plan, (iv) every other party

<sup>4</sup> The Residco Parties reserve their right to withdraw their compromise offer of the Average Claims Treatment (as defined in the Residco Parties objection) -- which is the option set forth in the first set of brackets -- at any time prior to the entry of this Confirmation Order. The Residco Parties believe that the second option outlined above, the so-called "Higher Claim Treatment" (as defined in the Residco Parties objection), is the only treatment available to confirm a substantive consolidation plan based upon the circumstances applicable in these cases in the absence of the Residco Parties' consent.

in interest in the Chapter 11 Cases, (v) all parties receiving property under the Plan and the other Plan Documents, and their respective heirs, executors, administrators, successors, or assigns.

9. ~~8.~~ Substantive Consolidation. Entry of this Confirmation Order shall constitute the approval, pursuant to sections 105(a) and 1123(a) of the Bankruptcy Code, effective as of the Effective Date, of the substantive consolidation of the Estates of the Consolidated Debtors solely for the purposes specified in the Plan, as provided for in Article 2.2 of the Plan and as clarified pursuant to, and subject to the terms of, paragraphs 7 and 10 of this Confirmation Order.

10. ~~9.~~ Effective as of the Effective Date, subject to Section 2.2(b) of the Plan and paragraph 7 of this Confirmation Order, (i) all assets and liabilities of the Consolidated Debtors shall be consolidated and treated as though they were merged, (ii) all guarantees of any Consolidated Debtor of the obligations of any other Consolidated Debtor shall be eliminated so that any Claim against any Consolidated Debtor, any guarantee thereof executed by any other Consolidated Debtor and any joint or several liability of any of the Consolidated Debtors shall be one obligation of the Consolidated Debtors and (iii) each and every Claim filed or to be filed in the Chapter 11 Cases against any of the Consolidated Debtors shall be deemed filed against the Consolidated Debtors collectively and shall be one Claim against and, if and to the extent allowed, shall become one obligation of the Consolidated Debtors. The substantive consolidation effectuated by the Plan and approved by this Confirmation Order shall not affect the right of any creditor to assert any defense to any Claim objection asserted by any of the Debtors (including, without limitation, any defense based upon any Consolidated Debtor's waiver of defenses set forth in any guaranty) and any parties response to such defense.

11. ~~10.~~ Execution and Binding Effect of Stockholders Agreement. Any holder of shares of New Common Stock, whether such holder acquires such shares as of the Effective Date or subsequent to the Effective Date, shall be required to enter into the Stockholders Agreement. The Stockholders Agreement shall be binding on all holders of New Common Stock.

12. ~~11.~~ Distributions. All distributions pursuant to the Plan shall be made in accordance with Article 7 of the Plan and such methods of distribution are approved.

13. ~~12.~~ Treatment Is in Full Satisfaction. All Plan distributions made to Creditors holding Allowed Claims in any Class are intended to be and shall be in full and final satisfaction of the Debtors' obligations under the Plan.

14. ~~13.~~ Resolution of Claims. The provisions of Article 8 of the Plan, including, without limitation, the provisions governing procedures for resolving Disputed Claims, are fair and reasonable and are approved. In addition, unless and until (a) a Disputed Claim becomes a Disallowed Claim, (b) this Court establishes a different amount to be reserved after an estimation hearing in accordance with Section 8.2 of the Plan, or (c) as otherwise agreed by the Reorganized Debtors and the Creditor holding such Disputed Claim, the Consolidated Debtors shall reserve for distribution purposes under the Plan the full amount stated in any Claim that is not a Disallowed Claim, provided, however, that such reserves shall be subject to any reduction due to the impact of the Substantive Consolidation as provided and approved in paragraphs 7 and 10 of this Confirmation Order.

15. ~~14.~~ Assumption and Rejection of Executory Contracts and Unexpired Leases. Entry of this Order shall, subject to and upon the occurrence of the Effective Date, constitute (a) the authorization and approval, pursuant to sections 365(a) and 1123(b)(2) of the

Bankruptcy Code, of the assumption of the executory contracts and unexpired leases (including any related guarantees) assumed pursuant to Section 9.3 of the Plan and as set forth on Schedule 9.1 to the Plan Supplement, and (b) the authorization and approval, pursuant to sections 365(a) and 1123(b)(2) of the Bankruptcy Code, of the rejection of the executory contracts and unexpired leases of the Debtors rejected pursuant to Section 9.1 of the Plan that were not listed on Schedule 9.1 to the Plan Supplement; provided, however, that any executory contract or unexpired lease that (i) has been assumed or rejected pursuant to an order of the Bankruptcy Court entered prior to the Effective Date, (ii) is the subject of a motion to assume or reject pending on the Effective Date, (iii) is listed on Schedule 9.1 to the Plan Supplement, or (iv) as to which a Treatment Objection has been filed and properly served by the Treatment Objection Deadline shall not be deemed rejected.

16. ~~15.~~ Assumption Obligations. With respect to any executory contract or unexpired lease to be assumed pursuant to any provision of the Plan 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 Post-Effective Date Debtors, without any further notice to or action by the Bankruptcy Court, and any obligation the Debtors or Post-Effective Date 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 fully satisfied by the Proposed Cure, if any, which shall be the Cure. Any objection to the assumption or assignment of an executory contract or unexpired lease must be timely filed in accordance with Section 9.3(a)(ii) of the Plan. The Debtors, Consolidated Debtors, and Liquidating Debtors shall be deemed to have satisfied



each element required for assumption under sections 365 and 1123(b)(2) of the Bankruptcy Code.

17. ~~16.~~ Assumption of Collective Bargaining Agreements. Each Collective Bargaining Agreement shall be deemed assumed effective as of the Effective Date. Each Collective Bargaining Agreement assumed pursuant to Section 9.7 of the Plan shall vest in and be fully enforceable by the applicable Post-Effective Date Debtor in accordance with its terms, except as modified by the provisions of the Plan or any order of the Bankruptcy Court previously entered with respect to such Collective Bargaining Agreement. The assumption obligations for each of the Collective Bargaining Agreements shall be satisfied by the Post-Effective Date Debtors paying in the ordinary course all obligations arising under the Collective Bargaining Agreements, including grievance settlements and arbitration awards unless otherwise agreed between the Debtors and the counterparty to the Collective Bargaining Agreement.

18. ~~17.~~ Reinstated Guarantees. Any guarantee by RAH of obligations arising under the secured aircraft financings in respect of equipment (as described in section 1110(a)(3) of the Bankruptcy Code) whose F.A.A. Registration Numbers, if any, are set forth in Schedule 4.3 of the Plan will be reinstated and be an obligation of Reorganized RAH on and after the Effective Date.

19. ~~18.~~ Deficiency Claims. The unsecured portion of any Claim secured by a Lien on Collateral that was surrendered and returned by the Debtors pursuant to order of the Bankruptcy Court after the Commencement Date shall be deemed a General Unsecured Claim against the applicable Debtor in an amount, if any, to be determined pursuant to section 506(a)(1) of the Bankruptcy Code and resolved in accordance with the Plan.

20. ~~19.~~ Bar Date for Filing Proofs of Claim Relating to Executory Contracts and Unexpired Leases Rejected Pursuant to the Plan. 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 the Rejection Bar Date shall be forever barred and shall not be enforceable against the Debtors, the Post-Effective Date Debtors, or their respective Estates or properties. The Debtors or the Post-Effective Date Debtors, as applicable, may contest any Rejection Claim in accordance with Section 8.1 of the Plan.

21. ~~20.~~ Vesting of Assets in the Post-Effective Date Debtors. Upon the Effective Date, pursuant to sections 1141(b) and (c) of the Bankruptcy Code, all property (including all interests, rights, and privileges with respect thereto) of each of the Debtors shall vest in each of the respective Post-Effective Date Debtors free and clear of all Claims, Liens, encumbrances, charges, and other interests, except as otherwise specifically provided in the Plan. All Liens, Claims, encumbrances, charges, and other interests shall be deemed fully released and discharged as of the Effective Date, except as otherwise provided in the Plan (including, for the avoidance of doubt, Liens, Claims, encumbrances, charges, and other interests in connection with those agreements related to Claims being Reinstated under the Plan). As of the Effective Date, the Post-Effective Date 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.

22. ~~21.~~ Exemption from Transfer Taxes. Pursuant to section 1146(a) of the Bankruptcy Code, the issuance, Transfer or exchange of equity securities under the Plan, the

creation, the 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 Equipment, or the making or delivery of any deed or other instrument of transfer under, in furtherance of, or in connection with the Plan, including, without limitation, the Plan Documents, the New Common Stock, and any agreements of consolidation, deeds, bills of sale or assignments executed in connection with any of the transactions contemplated under the Plan, 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, FAA filing or recording fee, or other similar tax or governmental assessment in the United States. Federal, state, and local governmental officials, as applicable, and their respective agents shall accept the foregoing for filing and recordation and forego the collection of any such tax or governmental assessment.

23. ~~22.~~ Transfers by Debtors. All transfers of property of the Debtors' estates shall be free and clear of all Liens, charges, Claims, encumbrances, and other interests, except as expressly provided in the Plan or this Order.

24. ~~23.~~ Securities Exempt from Registration. To the maximum extent provided by section 1145 of the Bankruptcy Code and applicable non-bankruptcy law, the offer, issuance, and distribution under the Plan of the New Common Stock will be exempt from registration under the Securities Act of 1933, as amended, 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. The offer, issuance, and distribution of the New Common Stock is or was in exchange for Claims against the Debtors within the meaning of

section 1145(a)(1) of the Bankruptcy Code. Furthermore, the issuance of New Common Stock pursuant to the Management Equity Plan and related employment agreements (if any) shall be exempt from registration pursuant to section 4(2) of the Securities Act.

25. ~~24.~~ Discharge and Injunction. Except as otherwise specifically provided in the Plan or in this Confirmation Order, the rights afforded in the Plan and the payments and distributions to be made hereunder shall discharge all existing debts, Causes of Action 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 in the Plan or in this Confirmation Order, upon the Effective Date, all existing Claims and Causes of Action against the Debtors and Interests in the Debtors shall be, and shall be deemed to be, discharged and terminated, and all holders of Claims, Causes of Action and Interests (and all representatives, trustees or agents on behalf of each holder) shall be precluded and enjoined from asserting against the Post-Effective Date Debtors, their successors or assignees, or any of their assets or properties, any other or further Claim, Cause of Action 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 therefore were known or existed prior to the Effective Date. This Confirmation Order is a judicial determination of the discharge of all Claims or Causes of Action against, liabilities of and Interests in the Debtors, subject to the occurrence of the Effective Date.

26. ~~25.~~ Upon the Effective Date and in consideration of the distributions to be made under the Plan, except as otherwise provided herein, each holder (as well as any representatives, trustees or agents on behalf of each holder) of a Claim, Cause of Action or

Interest and any Affiliate of such holder shall be 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, Causes of Action, Interests, rights and liabilities that arose prior to the Effective Date. Upon the Effective Date, all such persons shall be forever precluded and enjoined, pursuant to section 524 of the Bankruptcy Code, from prosecuting or asserting any such discharged Claim or Cause of Action against, or terminated Interest in, the Debtors. Except as otherwise expressly provided in the Plan, all persons or entities who have held, hold or may hold Claims, Causes of Action or Interests and all other parties in interest, along with their respective present or former employees, agents, officers, directors, principals, representatives and Affiliates, are permanently enjoined, from and after the Effective Date, from (i) commencing or continuing in any manner any action or other proceeding of any kind with respect to any such Claim (including, without limitation, a Section 510(b) Claim), Cause of Action or Interest against the Debtors, the Post-Effective Date Debtors or property of any Debtors or Post-Effective Date Debtors, other than to enforce any right to a distribution pursuant to the Plan, (ii) the enforcement, attachment, collection or recovery by any manner or means of any judgment, award, decree or order against the Debtors, the Post-Effective Date Debtors or property of any Debtors or Post-Effective Date Debtors, other than to enforce any right to a distribution pursuant to the Plan, (iii) creating, perfecting or enforcing any Lien or encumbrance of any kind against the Debtors or Post-Effective Date Debtors or against the property or interests in property of the Debtors or Post-Effective Date Debtors other than to enforce any right to a distribution pursuant to the Plan or (iv) asserting any right of set-off, subrogation or recoupment of any kind against any obligation due from the Debtors or Post-Effective Date Debtors or against the property or interests in property of the Debtors or Post-Effective Date Debtors, with respect to any such

Claim, Cause of Action or Interest. Such injunction shall extend to any successors or assignees of the Debtors and Post-Effective Date Debtors and their respective properties and interest in properties.

27. ~~26.~~ Terms of Existing Injunctions or Stays. Unless otherwise provided in the Plan, any injunction or stay arising under or entered during the Chapter 11 Cases under section 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.

28. ~~27.~~ Exculpation. Pursuant to the Plan and to the maximum extent permitted by applicable law, none of the Exculpated Parties shall have or incur any liability to any holder of a Claim, Cause of Action 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, contract, instrument, release or document created or entered into in connection with the Plan or in the Chapter 11 Cases (including the DIP Facility and documents related thereto), 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, any other prepetition or postpetition act taken or omitted to be taken in connection with or in contemplation of the restructuring of the Debtors or the administration of the Plan or the property to be distributed under the Plan, except for any act or omission that is determined in a final order to have constituted willful misconduct or gross negligence. Each Exculpated Party shall be entitled to rely upon the advice of counsel concerning his, her or its duties pursuant to, or in connection with, the Plan.

29. ~~28.~~ Release by the Debtors. Pursuant to section 1123(b) of the Bankruptcy Code, to the maximum extent permitted by applicable law, and except as otherwise specifically provided in the Plan, on and after the Effective Date, in exchange for their cooperation, the Released Parties shall be deemed released and discharged by the Debtors, the Post-Effective Date Debtors and their Estates from any and all Claims, obligations, debts, rights, suits, damages, Causes of Action, remedies and liabilities whatsoever, including any derivative claims asserted on behalf of the Debtors, their Estates and/or the Post-Effective Date Debtors, whether known or unknown, foreseen or unforeseen, existing or hereinafter arising, in law, equity, or otherwise, that the Debtors, the Post-Effective Date Debtors, their estates or their affiliates would have been legally entitled to assert in their own right (whether individually or collectively) or on behalf of the holder of any Claim or Interest or other entity or that any holder of a Claim or Interest or other entity would have been legally entitled to assert for or on behalf of the Debtors, their estates or the Post-Effective Date Debtors, based on or relating to, or in any manner arising from, in whole or in part, the Debtors, the Post- Effective Date Debtors, the Chapter 11 Cases, the purchase, sale or rescission of the purchase or sale of any security of the Debtors or the Post- Effective Date 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 excluding any assumed executory contract or lease, the restructuring of Claims and Interests prior to or in the Chapter 11 Cases, the negotiation, formulation or preparation of the Plan, the Disclosure Statement, the related Plan Supplement, or related agreements, instruments or other documents, or upon any other act or omission, transaction, agreement, event or other occurrence taking place on or before the Effective Date, other than claims or liabilities arising out of or relating to any act or omission of

a Released Party that constitutes willful misconduct or gross negligence; provided, however, that 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 Post-Effective Date 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 11.8 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 bringing or asserting such Claim or Cause of Action; provided, further that the immediately preceding clause shall not apply to any action by a Released Party in the Bankruptcy Court (or any other court determined to have competent jurisdiction), including any appeal therefrom, to (i) enforce such Released Party's rights against the Debtors and/or the Post-Effective Date Debtors under the Plan, this Confirmation Order, any postpetition or assumed contract, or (ii) prosecute the amount, priority or secured status of any prepetition or ordinary course administrative Claim against the Debtors, in each case, however, the Debtors shall retain all defenses related to such action.

30. ~~29.~~ Voluntary Releases by the Holders of Claims and Interests. Except as otherwise specifically provided in the Plan, for good and valuable consideration, on and after the Effective Date, to the maximum extent permitted by applicable law, holders of Claims that (a) vote to accept the Plan or (b) vote to reject the Plan and affirmatively elect (as permitted on the Ballots) to provide the releases contained in Section 11.9 shall be deemed to have conclusively, absolutely, unconditionally, irrevocably and forever, released and discharged the Debtors, the Post-Effective Date Debtors and the Released Parties from any and all claims, equity interests,



obligations, debts, rights, suits, damages, Causes of Action, remedies and liabilities whatsoever, including any derivative claims asserted on behalf of the Debtors, their estates and/or the Post-Effective Date Debtors, whether known or unknown, foreseen or unforeseen, existing or hereafter arising, in law, equity or otherwise, that such entity would have been legally entitled to assert (whether individually or collectively), based on or relating to, or in any manner arising from, in whole or in part, the Debtors, the Post-Effective Date Debtors, the restructuring, the Chapter 11 Cases, the purchase, sale or rescission of the purchase or sale of any security of the Debtors or the Post-Effective Date 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 excluding any assumed executory contract or lease, the restructuring of Claims and Interests prior to or in the Chapter 11 Cases, the negotiation, formulation or preparation of the Plan, the Disclosure Statement, the related Plan Supplement or related agreements, instruments or other documents, or upon any other act or omission, transaction, agreement, event, or other occurrence related to the Debtors taking place on or before the Effective Date other than claims or liabilities arising out of or relating to any act or omission of a Released Party that is determined in a Final Order to have constituted willful misconduct or gross negligence and excluding, for the avoidance of doubt, any Claim that is the subject of a Proof of Claim, a timely filed Administrative Claim or any Administrative Claim for which no filing is required; *provided* that (i) any holder of a Claim that votes to reject the Plan and does not affirmatively elect to provide the releases contained in this paragraph shall not receive the benefit of the releases set forth in this paragraph (even if for any reason otherwise entitled) and (ii) nothing contained in Section 11.9 of the Plan shall limit the releases provided in Section 11.8 of the Plan.

31. ~~30.~~ Special Provisions for Governmental Units. As to the United States of America, its agencies, departments, or agents (collectively, the “United States”), nothing in the Plan or this Confirmation Order shall limit or expand the scope of discharge, release or injunction to which the Debtors or Post-Effective Date Debtors are entitled to under the Bankruptcy Code, if any. The discharge, release, and injunction provisions contained in the Plan and this Confirmation Order are not intended and shall not be construed to bar the United States from, subsequent to the date of this Confirmation Order, pursuing any police or regulatory action. Accordingly, notwithstanding anything contained in the Plan or this Confirmation Order to the contrary, nothing in the Plan or this Confirmation Order shall discharge, release, impair or otherwise preclude: (1) any liability to the United States that is not a “claim” within the meaning of section 101(5) of the Bankruptcy Code; (2) any Claim of the United States arising on or after the Confirmation Date; (3) any valid right of setoff or recoupment of the United States against any of the Debtors; or (4) any liability of the Debtors or Post-Effective Date Debtors under police or regulatory statutes or regulations to any Governmental Unit (as defined by section 101(27) of the Bankruptcy Code) as the owner, lessor, lessee or operator of property that such entity owns, operates or leases after the Confirmation Date. Nor shall anything in this Confirmation Order or the Plan: (i) enjoin or otherwise bar the United States or any Governmental Unit from asserting or enforcing, outside the Bankruptcy Court, any liability described in the preceding sentence; or (ii) divest any court, commission, or tribunal of jurisdiction to determine whether any liabilities asserted by the United States or any Governmental Unit are discharged or otherwise barred by this Confirmation Order, the Plan, or the Bankruptcy Code.

32. ~~31.~~ Moreover, nothing in this Confirmation Order or the Plan shall release or exculpate any non-debtor, including any Released Parties, from any liability to the United States, including but not limited to any liabilities arising under the Internal Revenue Code, the environmental laws, or the criminal laws against the Released Parties, nor shall anything in this Confirmation Order or the Plan enjoin the United States from bringing any claim, suit, action or other proceeding against the Released Parties for any liability whatsoever; provided, however, that the foregoing sentence shall not limit the scope of discharge granted to the Debtors under sections 524 and 1141 of the Bankruptcy Code.

33. ~~32.~~ Nothing contained in the Plan or this Confirmation Order shall be deemed to determine the tax liability of any person or entity, including but not limited to the Debtors and the Post-Effective Date Debtors, nor shall the Plan or this Confirmation Order be deemed to have determined the federal tax treatment of any item, distribution, or entity, including the federal tax consequences of the Plan, nor shall anything in the Plan or this Confirmation Order be deemed to have conferred jurisdiction upon the Bankruptcy Court to make determinations as to federal tax liability and federal tax treatment except as provided under 11 U.S.C. § 505. Neither Agencia Especial de Financiamento Industrial – FINAME, nor Banco Nacional de Desenvolvimento Economico e Social shall be considered ‘governmental units’ for purposes of paragraphs ~~2829-3031~~ 2829-3031 of this Confirmation Order.

34. ~~33.~~ Limitation of Liability. The Debtors, the Consolidated Debtors, the Liquidating Debtors and each of their respective Agents shall have all of the benefits and protections afforded under Section 1125(e) of the Bankruptcy Code and applicable law.

35. ~~34.~~ Retention of Jurisdiction. On and after the Effective Date, the Bankruptcy Court shall retain exclusive jurisdiction, to the fullest extent permissible under law,

over all matters arising out of and related to the Chapter 11 Cases 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 all matters with respect to the Merger;
- (g) To hear and determine all matters with respect to the Plan Consolidation.
- (h) 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;
- (i) 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;
- (j) To hear and determine disputes arising in connection with Section 11.9 of the Plan;
- (k) 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;
- (l) To issue such orders as may be necessary to construe, enforce, implement, execute, and consummate the Plan;

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

(n) 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);

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

(p) 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 Supplement;

(q) To recover all assets of the Debtors and property of the Debtors' Estates, which shall be for the benefit of the Post-Effective Date Debtors, wherever located;

(r) To hear and determine all disputes involving the existence, nature, or scope of the Debtors' discharge;

(s) To hear and determine any rights, Claims, or Causes of Action held by or accruing to the Debtors or the Post-Effective Date Debtors pursuant to the Bankruptcy Code or pursuant to any federal or state statute or legal theory, which shall be for the benefit of the Post-Effective Date Debtors;

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

(u) To hear any other matter not inconsistent with the Bankruptcy Code; and

(v) 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 Supplement.

36. ~~35.~~ Effectuating Documents and Further Transactions. On or before the

Effective Date, and without the need for any further order or authority, the Debtors shall file with the Court or execute, as appropriate, such agreements and other documents as may be necessary or appropriate to effectuate and further evidence the terms and conditions of the Plan. The Post-

Effective Date Debtors are authorized to execute, deliver, file, or record such contracts, instruments, releases, indentures, and other agreements or documents and take such actions as may be necessary or appropriate to effectuate and further evidence the terms and conditions of the Plan and any securities issued pursuant to the Plan.

37. ~~36.~~ Withholding and Reporting Requirements. The Post-Effective Date Debtors shall be authorized to take all actions necessary to comply with applicable withholding and reporting requirements. Pursuant to section 346(f) of the Bankruptcy Code, the Post-Effective Date Debtors shall be entitled to deduct any federal, state, or local withholding taxes from any Cash payments made with respect to Allowed Claims, distributing party may withhold an appropriate portion of such distributed property and sell such withheld property to generate Cash necessary to pay over the withholding tax. Any amounts withheld pursuant to the preceding sentence shall be deemed to have been distributed to and received by the applicable recipient for all purposes of the Plan. Notwithstanding the foregoing, each holder of an Allowed Claim or any other Person that receives a distribution pursuant to the Plan shall have sole and exclusive responsibility for the satisfaction or payment of any taxes imposed by any governmental unit, including, without limitation, income, withholding, and other taxes, on account of such distribution. Any party issuing any instrument or making any distribution pursuant to the Plan has the right, but not the obligation, to not make a distribution until such holder has made arrangements satisfactory to such issuing or disbursing party for payment of any such tax obligations. For tax purposes, distributions received in respect of Allowed Claims will be allocated first to the principal amount of such Claims, with any excess allocated to unpaid accrued interest and original issue discount, if any.

38. ~~37.~~ Payment of Statutory Fees. All fees payable pursuant to section 1930(a) of title 28 of the United States Code and/or section 3717 of title 31 of the United States Code, as determined by the Bankruptcy Court, shall be paid for each quarter (including any fraction thereof) until the Chapter 11 Cases are converted, dismissed, or closed, whichever occurs first.

39. ~~38.~~ Dissolution of the Committee. On the Effective Date, the Committee shall be dissolved and the members of the Committee shall be released and discharged from any further authority, duties, responsibilities, liabilities, and obligations related to, or arising from, the Chapter 11 Cases, except that the Committee shall continue in existence and have standing and capacity to prepare and prosecute (i) applications for compensation by professionals and requests for reimbursement of expenses incurred by the Committee or any of the estates' Professionals, and (ii) any motions or other actions seeking enforcement or implementation of the provisions of the Plan or this Confirmation Order or pending appeals of Orders entered in the Chapter 11 Cases.

40. ~~39.~~ Professional Fees. All entities seeking an award by the Bankruptcy Court of compensation for services rendered or reimbursement of expenses incurred through the last day of the calendar month preceding the Effective Date pursuant to sections 327, 328, 330, 331, 503 and/or 1103 of the Bankruptcy Code must file their applications for allowance of such compensation or reimbursement no later than sixty (60) days after the Effective Date. The Post-Effective Date Debtors are authorized to pay compensation for professional services rendered and reimbursement of expenses incurred after the last day of the calendar month immediately preceding the Effective Date in the ordinary course and without the need for Court approval.

41. ~~40.~~ Release of Certain Avoidance Actions. On the Effective Date, the Post- Effective Date Debtors shall be deemed to waive and release all Avoidance Actions pursuant to section 547 of the Bankruptcy Code unless such Avoidance Action is listed on Schedule 11.12 to the Plan Supplement; *provided* that, except as expressly provided in this Confirmation Order or in Article 11 of the Plan, the Post-Effective Date Debtors shall retain the right to assert any Claims assertable in any Avoidance Action as defenses or counterclaims in any Cause of Action brought by any Creditor. The Post-Effective Date Debtors shall retain the right, after the Effective Date, to prosecute any of the Avoidance Actions listed on Schedule 11.12 to the Plan Supplement.

42. ~~41.~~ Reservation of Rights. For the avoidance of doubt, nothing in the Plan or this Confirmation Order will modify the rights or claims of (i) American under the order authorizing and approving assumption and amendment to the Debtors' Codeshare Agreement with American Airlines Inc. [Docket No. 1028]; (ii) Delta under the order authorizing assumption and amendment to the Debtors' Codeshare Agreement with Delta Air Lines, Inc. [Docket No. 506]; and (iii) United under the *Order Pursuant to 11 U.S.C. § 363 and Fed. R. Bankr. P. 6004 Authorizing Debtors to Enter Into Sale Leaseback Transactions with DBD Mesa LLC for Five Embraer E170-100SE Aircraft* [Docket No. 1438] and the orders authorizing and approving assumptions and/or amendments to the Debtors' Codeshare Agreement with United Airlines, Inc. [Docket Nos. 678, 1286].

43. ~~42.~~ Voting Stipulations. Each of the Voting Stipulations is incorporated by reference as if fully set forth herein, and each of the Voting Stipulations shall be fully enforceable in accordance with its terms.



44. ~~43.~~ Conditions to Effective Date. The Plan shall not become effective unless and until the conditions set forth in Section 12.1 of the Plan are satisfied or waived pursuant to Section 12.2 of the Plan.

45. ~~44.~~ Withdrawal of Plan. The Debtors, with the consent of the Committee (which consent shall not be unreasonably withheld), reserve the right to revoke, withdraw, or delay consideration of the Plan prior to the Confirmation Date, either entirely or with respect to any one or more of the Debtors, and to file subsequent amended plans of reorganization. If the Plan is revoked, withdrawn, or delayed with respect to fewer than all of the Debtors, such revocation, withdrawal, or delay shall not affect the enforceability of the Plan as it relates to the Debtors for which the Plan is not revoked, withdrawn, or delayed. If the Debtors revoke or withdraw the Plan in its entirety, if Confirmation does not occur, or if the Effective Date does not occur (i) on or prior to 60 calendar days after the Confirmation Date or (ii) with the consent of the Committee, on or prior to 120 days after the Confirmation Date, and the Debtors file a notice of revocation on the Bankruptcy Court's docket, then, absent further order of the Bankruptcy Court (a) the Plan shall be null and void in all respects, (b) any settlement or compromise not previously approved by Final Order of the Bankruptcy Court embodied in the Plan (including the fixing or limiting to an amount certain any Claim or Interest or Class of Claims or Interests), assumption or rejection of executory contracts or leases effected by the Plan and any document or agreement executed pursuant hereto, shall be deemed null and void, and (c) nothing contained in the Plan shall (1) constitute a waiver or release of any Claims by or against, or any Interests in, such Debtors or any other Person, (2) prejudice in any manner the rights of such Debtors or any other Person or (3) constitute an admission of any sort by the Debtors or any other Person.

46. ~~45.~~ Reversal, Modification, or Vacatur of Order. If any of the provisions of this Order are hereafter reversed, modified, or vacated by a subsequent order of the Court or any other court, such reversal, modification, or vacatur shall not affect the validity of the acts or obligations incurred or undertaken under, or in connection with, the Plan prior to receipt of written notice of such order by the Debtors. Notwithstanding any such reversal, modification, or vacatur of this Order, any such act or obligation incurred or undertaken pursuant to, and in reliance on, this Order prior to the effective date of such reversal, modification, or vacatur shall be governed in all respects by the provisions of this Order, the Plan, all documents relating to the Plan and any amendments or modifications to any of the foregoing.

47. ~~46.~~ Notice of Entry of Confirmation Order. Pursuant to Bankruptcy Rules 2002(f)(7), 2002(k), and 3020(c), the Post-Effective Date Debtors shall file and serve notice of entry of this Order in substantially the form annexed hereto as Exhibit B (the “Notice of Entry of Confirmation Order”) on all Creditors and holders of Interest, the U.S. Trustee, and all other parties in interest entitled to receive notice in these Chapter 11 Cases, by causing the Notice of Entry of Confirmation Order to be delivered to such parties by electronic mail or overnight delivery, within fourteen (14) days after entry of this Order. The Notice of Entry of Confirmation Order shall also be posted on the website of the Debtors’ Court-appointed solicitation agent, Prime Clerk LLC (“Prime Clerk”) at: <https://cases.primeclerk.com/rjet>. Such notice is adequate and no other or further notice is necessary.

48. ~~47.~~ Notice of the Effective Date. As soon as practicable following the Effective Date, the Post-Effective Date Debtors shall file and serve a notice of the effective date (the “Notice of Effective Date”) in the manner required under Bankruptcy Rule 2002(f). The notice shall further identify the Effective Date and shall set forth the Administrative Claim Bar

Date, the Rejection Claims Bar Date, and any other deadlines that may be established under the Plan or this Order. The Notice of Effective Date shall also be posted on Prime Clerk's website at: <https://cases.primeclerk.com/rjet>. Such notice is adequate and no other or further notice is necessary.

49. ~~48.~~ 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.

50. ~~49.~~ Governing Law. Except to the extent that the Bankruptcy Code, Bankruptcy Rules, or other federal law is applicable, or to the extent an exhibit hereto or a schedule or Plan Document provide 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, excluding conflict of law provisions that would give rise to a choice of law other than the laws of the State of New York.

51. ~~50.~~ Conflicts Between Order and Plan. To the extent of any inconsistency between the provisions of the Plan and this Confirmation Order, the terms and provisions contained in this Confirmation Order shall govern. The provisions of this Confirmation Order are integrated with each other and are nonseverable and mutually dependent unless expressly stated by further order of the Court.

52. ~~51.~~ Final Order; Waiver of Stay. This Confirmation Order shall constitute a final order and the period in which an appeal must be filed shall commence upon the entry hereof. Any stay of this Confirmation Order provided by any Bankruptcy Rule (including, but not limited to, Bankruptcy Rule 3020(e)) is hereby waived, and this Confirmation Order shall be effective and enforceable immediately after its entry by the Court and the satisfaction or proper

waiver of all other conditions to the occurrence of the Effective Date in accordance with the  
Plan.

Date: \_\_\_\_\_, 2017  
New York, New York

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HONORABLE SEAN H. LANE  
United States Bankruptcy Judge

Document comparison by Workshare 9 on Monday, March 06, 2017 3:39:57 PM

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Total changes	111

# EXHIBIT B

**RESIDCO PARTIES' OBJECTIONS AND MOTION TO STRIKE  
CERTAIN PORTIONS OF DECLARATIONS SUBMITTED BY  
DEBTORS IN SUPPORT OF CONFIRMATION**

**EXHIBIT B**

**RESIDCO PARTIES' OBJECTIONS AND MOTION TO STRIKE  
CERTAIN PORTIONS OF DECLARATIONS SUBMITTED BY  
DEBTORS IN SUPPORT OF CONFIRMATION**

- **OBJECTIONS TO PORTIONS OF DECLARATION OF BRYAN K. BEDFORD IN SUPPORT OF CONFIRMATION OF DEBTORS' SECOND AMENDED JOINT PLAN OF REORGANIZATION UNDER CHAPTER 11 OF THE BANKRUPTCY CODE**

	<b><u>PORTION BEING OBJECTED TO:</u></b>	<b><u>REASON FOR OBJECTION</u></b>
1.	Paragraph 9: Making declaration about Declarant's belief that the Plan complies with Section 1129.	Declarant's belief regarding compliance with Bankruptcy Code requirements is irrelevant, lacks sufficient foundation, is speculative, is improperly based on hearsay, invades the providence of the Court, is an improper legal opinion and/or legal conclusion, and/or is a mischaracterization of what the Plan provides. Such sentence should be stricken.
2.	Paragraph 10, Second sentence: Making declaration about Declarant's belief that the Plan satisfies each requirement set forth in Section 1123(a).	Declarant's belief regarding compliance with Bankruptcy Code requirements is irrelevant, lacks sufficient foundation, is speculative, invades the providence of the Court, is an improper legal opinion and/or legal conclusion, and/or is a mischaracterization of what the Plan provides. Such sentence should be stricken.
3.	Paragraph 11, Third sentence: Making declaration about Declarant's understanding that all "Claims and Interests within each Class have the same or substantially similar rights as the other Claims and Interests in that Class and will receive the same treatment under the Plan for their respective Claims and Interests in the same Class."	Declarant's understanding regarding the treatment of Claims and Interests, is irrelevant, lacks foundation, is speculative, invades the providence of the Court, is an improper legal opinion and/or legal conclusion, and/or is a mischaracterization of what the Plan provides. Such sentence should be stricken.
4.	Paragraph 12, Last sentence: Making	This sentence constitutes a legal

	<b><u>PORTION BEING OBJECTED TO:</u></b>	<b><u>REASON FOR OBJECTION</u></b>
	declaration about Debtors' compliance with Section 1123(a)(4) requirement for the "same treatment."	conclusion which is subject to dispute. As a fact witness, there is no basis for this witness to submit a declaration regarding a legal conclusion for one of the key matters in dispute. Such sentence should be stricken.
5.	Paragraph 15, First sentence: Making declaration about Declarant's belief that "it would be inefficient to propose, vote on, and make distributions in respect of entity-specific Claims."	Declarant's belief regarding inefficiencies of plan confirmation process and requirements lacks sufficient foundation, is speculative, invades the providence of the Court, and/or is an improper legal opinion and/or legal conclusion. Such sentence should be stricken.
6.	Paragraph 15, Second sentence, regarding the entanglement of the Debtors.	This statement lacks sufficient foundation, is conclusory, and, to the extent that this sentence is seeking to convey a legal conclusion, invades the providence of the Court, and/or is an improper legal opinion and/or legal conclusion. Such sentence should be stricken.
7.	Paragraph 15, Third sentence, regarding the Consolidated Debtors having no separate identity.	This sentence constitutes a legal conclusion which is subject to dispute, lacks foundation, is conclusory, and, to the extent that this sentence is seeking to convey a legal conclusion, invades the providence of the Court, and/or is an improper legal opinion and/or legal conclusion. These assertions are also contradicted by all available facts, including the detailed schedules of assets, the fact that creditors dealt with the entities separately and each of the Debtors held themselves out to the public as having separate identities. Such sentence should be stricken.
8.	Paragraph 15, Fourth sentence, conclusory statements regarding the Parent-Guarantor Debtor's assets, creditors, entanglement and having no separate identity.	These statements are conclusory in nature, lack foundation, and have no factual basis. They are also contradicted by the other evidence in the record of these cases. Finally, the last clause invades the providence of



	<b><u>PORTION BEING OBJECTED TO:</u></b>	<b><u>REASON FOR OBJECTION</u></b>
		this Court and is an improper legal opinion and/or legal conclusion for which this fact witness is not competent to provide such attestations. Such sentence should be stricken.
9	Paragraph 17, First sentence, regarding the Consolidated being a “single economic unit.”	This sentence constitutes a legal conclusion which is subject to dispute. As a fact witness, there is no basis for this witness to submit a declaration regarding a legal conclusion for one of the key matters in dispute. Such sentence should be stricken.
10.	Paragraph 17, First sentence, regarding perception of the Consolidated Debtors by others	With regard to such perception, this sentence lacks foundation, is speculative, is an improper opinion, and/or constitutes hearsay regarding the opinion of other parties. Such sentence should be stricken.
11.	Paragraph 17, Third sentence, regarding the Consolidated being perceived as a “single economic unit.”	This sentence lacks foundation, is an improper opinion, is speculative and/or constitutes hearsay regarding the opinion of other parties. Such sentence should be stricken.
12.	Paragraph 18, full paragraph, regarding all creditors benefiting from substantive consolidation.	This sentence lacks foundation, is conclusory, invades the providence of the Court, and/or constitutes an improper legal opinion and/or legal conclusion which is subject to dispute. As a fact witness, there is no basis for this witness to submit a declaration regarding a legal conclusion for one of the key matters in dispute. Such sentence should be stricken.
13.	Paragraph 19, First sentence, regarding shortening of time and costs.	This statement lacks sufficient foundation, is speculative, is conclusory, and, to the extent that this sentence is seeking to convey a legal conclusion, invades the providence of the Court, and/or is an improper legal opinion and/or legal conclusion. Such sentence should be stricken.
14.	Paragraph 19, Second sentence,	This sentence lacks sufficient

	<b><u>PORTION BEING OBJECTED TO:</u></b>	<b><u>REASON FOR OBJECTION</u></b>
	regarding shortening of time and costs.	foundation, is speculative, is conclusory, invades the providence of the Court, and/or is an improper legal opinion and/or legal conclusion. Such sentence should be stricken.
15.	Paragraph 20, full paragraph, regarding belief as to prejudice.	Declarant's belief regarding lack of prejudice to other creditors as a result of substantive consolidation lacks sufficient foundation, is speculative, invades the providence of the Court, and/or is an improper legal opinion and/or legal conclusion. Such sentence should be stricken.

- **OBJECTIONS TO PORTIONS OF DECLARATION OF JOSEPH P. ALLMAN IN SUPPORT OF CONFIRMATION OF DEBTORS' SECOND AMENDED JOINT PLAN OF REORGANIZATION UNDER CHAPTER 11 OF THE BANKRUPTCY CODE**

	<b><u>PORTION BEING OBJECTED TO:</u></b>	<b><u>REASON FOR OBJECTION</u></b>
1.	Paragraph 4: Sixth Sentence regarding effect of further delay	Declarant's statement regarding the potential effect of further delay lacks foundation and is speculative. Such sentence should be stricken.