

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

In re:

PINNACLE AIRLINES CORP., *et al.*,

Debtors.

Chapter 11

Case No. 12-11343 (REG)

(Jointly Administered)

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

The Debtors' Joint Plan of Reorganization under Chapter 11 of the Bankruptcy Code, dated April 17, 2013 (attached hereto as Exhibit A, the "**Plan**"),¹ having been filed with this Court (the "**Court**") by Pinnacle Airlines Corp. ("**Pinnacle Holdings**") and its four subsidiaries that are debtors and debtors in possession in these cases (collectively, the "**Debtors**"); and the Court having entered, after due notice and a hearing, pursuant to sections 105, 502, 1125, 1126 and 1128 of title 11 of the United States Code (the "**Bankruptcy Code**") and rules 2002, 3003, 3017 and 3018 of the Federal Rules of Bankruptcy Procedure (the "**Bankruptcy Rules**"), an order dated March 7, 2013 (the "**Approval Order**") (i) approving the Debtors' Disclosure Statement, including all Appendices attached thereto (as amended, the "**Disclosure Statement**"), (ii) approving solicitation and notice materials, (iii) approving forms of ballots, (iv) establishing solicitation and voting procedures, (v) establishing procedures for allowing and estimating certain claims for voting purposes, (vi) scheduling a confirmation hearing (the "**Confirmation Hearing**") and (vii) establishing notice and objection procedures; and the Debtors having provided a copy of the Disclosure Statement to all holders of Claims in Class 3 (EDC Facilities Claims), Class 5 (Union Claims), Class 6 (Other General Unsecured Claims) and Class 7 (Punitive Damages Claims) (collectively, the "**Voting Classes**") as provided for by the Approval Order; and the

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

various Plan schedules and Plan Supplements (collectively, the “**Plan Supplements**”) having been filed and served as required by the Plan; and the Confirmation Hearing having been held before the Court on April 17, 2013 after due notice to holders of Claims and Interests and other parties-in-interest in accordance with the Approval Order, the Bankruptcy Code and the Bankruptcy Rules; and upon all of the proceedings had before the Court and after full consideration of: (i) each of the objections to confirmation of the Plan (the “**Objections**”); (ii) the memorandum of law in support of confirmation of the Plan filed by the Debtors, dated April 14, 2013; (iii) the declarations filed in connection with confirmation of the Plan, including (a) the Declaration of Virginia L. Hughes in Support of Confirmation of the Debtors’ Joint Plan of Reorganization under Chapter 11 of the Bankruptcy Code (the “**Hughes Declaration**”), (b) the Declaration of John Spanjers in Support of Confirmation of the Debtors’ Joint Plan of Reorganization under Chapter 11 of the Bankruptcy Code (the “**Spanjers Declaration**”) and (c) the Declaration of Stephenie Kjontvedt on Behalf of Epiq Bankruptcy Solutions, LLC Regarding Voting and Tabulation of Ballots Accepting and Rejecting the Debtors’ Joint Plan of Reorganization under Chapter 11 of the Bankruptcy Code [ECF No. 1147] (the “**Vote Certification**” and, collectively with the Hughes Declaration and the Spanjers Declaration, the “**Declarations**”) and the testimony contained therein and any additional testimony presented to the Court and (iv) all other evidence proffered or adduced during, memoranda and objections filed in connection with and arguments of counsel made at the Confirmation Hearing; and after due deliberation and sufficient cause appearing therefor,

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

FINDINGS OF FACT AND CONCLUSIONS OF LAW

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

The Court has jurisdiction over the Chapter 11 Cases pursuant to sections 157 and 1334 of title 28 of the United States Code. Venue is proper pursuant to sections 1408 and 1409 of title 28 of the United States

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

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

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

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

5. Notice; Transmittal and Mailing of Materials.

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

(b) The Debtors have transmitted to members of the Voting Classes solicitation packages (the “**Solicitation Packages**”), each containing (i) a cover letter describing the contents of the Solicitation Package and the contents of the enclosed CD-ROM, (ii) a CD-ROM containing (x) the Disclosure Statement (with the Plan annexed thereto and other exhibits) and (y) the Approval Order (without exhibits), (iii) the Confirmation Hearing Notice, (iv) a Ballot or Beneficial Ballot, as appropriate, together with a pre-addressed postage paid envelope and (v) a letter from the Creditors’ Committee regarding acceptance of the Plan substantially in accordance with the procedures set forth in the Approval Order. All procedures used to distribute the Solicitation Packages to the Voting Classes were fair and were conducted in accordance with the Bankruptcy Code and the Bankruptcy Rules and all other applicable rules, laws and regulations;

(c) The Debtors have transmitted to members of the (i) non-voting unimpaired classes — Claims in Class 1 (Other Priority Claims), Class 2 (CIT Facility Claims), Class 4 (Other Secured Claims) and Class 9b (Interests in Subsidiary Debtors) — and (ii) the non-voting impaired classes — Claims in Class 8 (510(b) Claims) and Class 9a (Interests in Pinnacle Holdings) — to the extent knowable, a notice describing such recipient’s non-voting status and the deadline for filing objections to the Plan (the “**Non-Voting Notices**”) substantially in accordance with the procedures set forth in the Approval Order;

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

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

(f) The filing with the Court and service of the version of the Plan attached as Appendix A to the Disclosure Statement, the filing of the Plan on April 14, 2013 and the disclosure of any further modifications on the record at the Confirmation Hearing constitute due and sufficient notice of the Plan and all modifications thereto.

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

7. Plan Supplements. On March 29, 2013, the Debtors filed Plan Supplements, as described in Section 16.8 of the Plan. In addition, the Debtors filed Schedules to the Plan on various dates. All such Plan Supplements and Schedules comply with the terms of the Plan, and the filing and notice of such documents was good and proper in accordance with the Bankruptcy Code, the Bankruptcy Rules and the Approval Order, and no other or further notice is or shall be required.

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

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

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

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

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

(b) Specified Unimpaired Classes (11 U.S.C. § 1123(a)(2)). Section 4.2 of the Plan specifies that Class 1 (Other Priority Claims), Class 2 (CIT Facility Claims), Class 4 (Other Secured Claims) and Class 9b (Interests in Subsidiary Debtors) are Unimpaired by the Plan, thereby satisfying section 1123(a)(2) of the Bankruptcy Code.

(c) Specified Treatment of Impaired Classes (11 U.S.C. § 1123(a)(3)). Section 4.2 of the Plan designates Class 3 (EDC Facility Claims), Class 5 (Union Claims), Class 6 (Other General Unsecured Claims), Class 7 (Punitive Damages Claims), Class 8 (Section 510(b) Claims) and Class 9a (Interests in Pinnacle Holdings) as Impaired, and Article 4 of the Plan specifies the treatment of each of these Classes of Claims and Interests under the Plan, thereby satisfying section 1123(a)(3) of the Bankruptcy Code.

(d) No Discrimination (11 U.S.C. § 1123(a)(4)). The Plan provides for the same treatment by the Debtors for each Claim or Interest in each respective Class, unless the holder of a Claim or Interest has agreed to a less favorable treatment, thereby satisfying section 1123(a)(4) of the Bankruptcy Code.

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

(f) Nonvoting Equity Securities (11 U.S.C. § 1123(a)(6)). The certificate of incorporation of Reorganized Pinnacle Holdings, filed as a Plan Supplement on March 29, 2013 (the "**New Certificate of Incorporation**"), prohibits the issuance of non-voting equity securities to the extent required by the Bankruptcy Code. Thus, the requirements of section 1123(a)(6) of the Bankruptcy Code are satisfied.

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

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

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

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

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

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

(d) Good Faith Solicitation (11 U.S.C. § 1125(e)). Based on the record before this Court in these Chapter 11 Cases, the Debtors, Delta, ALPA, AFA, TWU, the Creditors' Committee and the other Exculpated Parties referred to in Section 12.6 of the Plan have acted in "good faith" within the meaning of section 1125(e) of the Bankruptcy Code and in compliance with the applicable provisions of the Bankruptcy Code and Bankruptcy Rules in connection with all of their respective activities relating to the solicitation of acceptances to the Plan and their participation in the activities described in section 1125 of the Bankruptcy Code and the Exculpated Parties referred to in Section 12.6 of the Plan are entitled to the protections afforded by section 1125(e) of the Bankruptcy Code and the exculpation provisions set forth in Section 12.6 of the Plan.

13. Plan Proposed in Good Faith (11 U.S.C. § 1129(a)(3)). The Debtors have proposed the Plan in good faith and not by any means forbidden by law, thereby satisfying section 1129(a)(3) of the Bankruptcy Code. The Debtors' good faith is evident from the facts and records of these Chapter 11 Cases, the Disclosure Statement and the hearing thereon, and the record of the Confirmation Hearing and other proceedings held in these Chapter 11 Cases. The Plan was proposed with the legitimate and honest purpose of maximizing the value of the Debtors' Estates and effectuating a successful reorganization of the Debtors.

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

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

15. Directors, Officers and Insiders (11 U.S.C. § 1129(a)(5)). The Debtors have complied with section 1129(a)(5) of the Bankruptcy Code. The identity and affiliations of the persons proposed to serve as members of the New Board were disclosed in a Plan Supplement filed on March 29, 2013, and the appointment to, or continuance in, such positions of such persons is consistent with the interests of holders of Claims against, and Interests in, the Debtors and with public policy. The nature of the compensation payable to the members of the New Board, as well as the current compensation of the chief executive officer, chief financial officer and the chief operating officer of Pinnacle Holdings was disclosed in a Plan Supplement filed with the Bankruptcy Court on March 29, 2013.

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

17. Best Interests of Creditors (11 U.S.C. § 1129(a)(7)). The Plan satisfies section 1129(a)(7) of the Bankruptcy Code. The liquidation analysis set forth in Appendix B to the Disclosure Statement and supported in the Hughes Declaration and the Spanjers Declaration (a) is persuasive and credible, (b) has not been controverted by other evidence, (c) is based on sound methodology and (d) establishes that each holder of an Impaired Claim or Interest either has accepted the Plan or will receive or retain under the Plan, on account of such Claim or Interest, property of a value, as of the Effective Date, that is not less than the amount that such holder would receive or retain if the Debtors were liquidated under chapter 7 of the Bankruptcy Code on such date.

18. Acceptance by Certain Classes (11 U.S.C. § 1129(a)(8)). Class 1 (Other Priority Claims), Class 2 (CIT Facility Claims), Class 4 (Other Secured Claims) and Class 9b (Interests in Subsidiary

Debtors) are each Classes of Unimpaired Claims or Interests that are conclusively presumed to have accepted the Plan under section 1126(f) of the Bankruptcy Code. Class 5 (Union Claims) and Class 6 (Other General Unsecured Claims) have voted to accept the Plan in accordance with section 1126(c) of the Bankruptcy Code. No votes were cast in Class 3 (EDC Facilities Claims) therefore, in accordance with the Approval Order, Class 3 (EDC Facilities Claims) is deemed to have voted to accept the Plan. Class 7 (Punitive Damages Claims) voted against the Plan; and Class 8 (Section 510(b) Claims) and Class 9a (Interests in Pinnacle Holdings) (together with Class 7, the “**Rejecting Classes**”) are not entitled to receive or retain any property under the Plan and, therefore, are deemed to have rejected the Plan pursuant to section 1126(g) of the Bankruptcy Code. Although section 1129(a)(8) of the Bankruptcy Code has not been satisfied with respect to the Rejecting Classes, the Plan is confirmable because the Plan does not discriminate unfairly and is fair and equitable with respect to the Rejecting Classes and thus satisfies section 1129(b) of the Bankruptcy Code with respect to such Classes.

19. Treatment of Administrative, Priority Tax and Priority Non-Tax Claims (11 U.S.C. § 1129(a)(9)). The treatment of Administrative Claims and Other Priority Claims pursuant to Section 3.1 and Section 4.2 of the Plan, respectively, satisfies the requirements of sections 1129(a)(9)(A) and (B) of the Bankruptcy Code, and the treatment of Priority Tax Claims pursuant to Section 3.2 of the Plan satisfies the requirements of section 1129(a)(9)(C) of the Bankruptcy Code.

20. Acceptance by Impaired Classes (11 U.S.C. § 1129(a)(10)). Class 3 (EDC Facility Claims), Class 5 (Union Claims) and Class 6 (Other General Unsecured Claims) are Impaired Classes and have voted, or are deemed to have voted, to accept the Plan, without including any acceptance of the Plan by any insider. As such, without including any acceptance of the Plan by any insider, there is at least one Class of Claims against the Debtors that is Impaired under the Plan and has accepted the Plan. Thus the Plan satisfies the requirements of section 1129(a)(10) of the Bankruptcy Code.

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

22. Payment of Fees (11 U.S.C. § 1129(a)(12)). As provided in Section 16.6 of the Plan, all fees payable pursuant to section 1930(a) of title 28 of the United States Code, as determined by the Court, have been paid or shall be paid for each quarter (including any fraction thereof) until the Chapter 11 Cases are converted, dismissed or closed, whichever occurs first, thus satisfying the requirements of section 1129(a)(12) of the Bankruptcy Code.

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

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

(a) The Plan Does Not Unfairly Discriminate Against the Rejecting Classes. The Plan does not unfairly discriminate against the Rejecting Classes. At Delta's discretion, the Interests classified in Class 9b (Interests in Subsidiary Debtors) shall be Reinstated for the ultimate benefit of Reorganized Pinnacle Holdings in exchange for the agreement of Reorganized Pinnacle Holdings to make distributions under the Plan to Creditors of the Subsidiary Debtors and to use certain funds and assets, to the extent authorized in the Plan, to satisfy certain obligations of the Subsidiary Debtors. With respect to the difference in treatment under the Plan between Class 7 (Punitive Damages Claims) as compared to Class 5 (Union Claims) and Class 6 (Other General Unsecured Claims), (a) a reasonable basis exists for any discrimination; (b) the Plan cannot be consummated without the discrimination; (c) the discrimination was proposed in good faith; and (d) the degree of discrimination is in proportion to its rationale. As a result, there is a reasonable basis for any disparate treatment between and among (i) Class 9a (Interests in Pinnacle Holdings) and Class 8 (Section 510(b) Claims) as compared to Class 9b (Interests in Subsidiary Debtors) and (ii) Class 7 (Punitive Damages Claims) as compared to Class 5 (Union Claims) and Class 6 (Other General Unsecured Claims). Therefore, the Plan satisfies section 1129(b)(1) of the Bankruptcy Code.

(b) The Plan is Fair and Equitable. The Plan is fair and equitable, in that other than as set forth above with respect to Class 9b (Interests in Subsidiary Debtors), which serves to

preserve the corporate structure for the benefit of all creditors, no holder that is junior to the Claims and Interests classified in the Rejecting Classes will receive or retain under the Plan any property on account of such junior interest. Therefore, the Plan satisfies section 1129(b)(2)(C)(ii) of the Bankruptcy Code.

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

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

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

28. Plan Consolidation. A preponderance of the evidence presented to this Court demonstrates that no Creditor will be harmed by the proposed Plan Consolidation and that the Plan Consolidation is appropriate. Furthermore, no Creditor or Interest holder has objected to or opposed the Plan Consolidation.

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

30. Good Faith. The Debtors, Delta, the Unsecured Claims Trustee, the Creditors' Committee and the other Released Parties will be acting in good faith if they proceed to (i) consummate

the Plan and the agreements, settlements, transactions and transfers contemplated thereby (including, without limitation, the restructuring transactions set forth in Section 6.7 of the Plan and the Plan Supplements) and (ii) take the actions authorized and directed by this Confirmation Order.

31. Assumption or Rejection of Executory Contracts and Unexpired Leases. The Debtors have exercised their reasonable business judgment prior to the Confirmation Hearing in determining whether to assume or reject each of their executory contracts and unexpired leases as set forth in Article 10 of the Plan, the Plan Supplements, this Confirmation Order or otherwise. Notwithstanding any provision of this Confirmation Order or the Plan to the contrary, the Debtors may amend Schedules 10.2(a) and 10.2(b) to reject and/or otherwise modify the treatment of certain executory contracts and/or unexpired leases, as and to the extent noted in the versions of Schedules 10.2(a) and 10.2(b) filed on April 16 2013, after the date hereof. Each assumption or rejection of an executory contract or unexpired lease pursuant to this Confirmation Order and in accordance with Article 10 of the Plan or otherwise shall be legal, valid and binding upon the applicable Reorganized Debtor and all non-Debtor entities party to such executory contract or unexpired lease (subject to the rights of the non-debtor entities party to such agreements to object to such assumption or rejection and the rights of the applicable Reorganized Debtor in response to any such objection); *provided, however*, that nothing herein shall be construed as an Order of this Court compelling performance under any assumed contract or lease.

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

33. Valuation. In accordance with the estimated recoveries set forth in the Disclosure Statement, the enterprise value of the Debtors is insufficient to support a distribution to holders of Interests in Pinnacle Holdings (Class 9a) or Section 510(b) Claims (Class 8).

34. Transfers by Debtors; Vesting of Assets. All transfers of property of the Debtors' Estates, including, without limitation, the transfer of the New Common Stock, shall be free and clear of all Liens, charges, Claims, encumbrances and other interests, except as expressly provided in the Plan or this Confirmation Order. Pursuant to sections 1141(b) and (c) of the Bankruptcy Code, all property of each of the Debtors (excluding property that has been abandoned pursuant to the Plan or an order of the Bankruptcy Court) shall vest in each of the respective Reorganized Debtors or their successors or assigns or, with respect to the Unsecured Claims Trust Assets as provided in section 6.8 of the Plan, the Unsecured Claims Trust, as the case may be, free and clear of all Liens, charges, Claims, encumbrances and other interests, except as expressly provided in the Plan or this Confirmation Order. Such vesting does not constitute a voidable transfer under the Bankruptcy Code or applicable nonbankruptcy law.

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

DECREEES

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

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

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

38. Plan Supplements. The documents contained or referred to in the Plan Supplements, including, *inter alia*, the Unsecured Claims Trust Agreement, the form of Exit Note and the Amended EDC Facility, and any amendments, modifications, and supplements thereto, and all documents and agreements related thereto (including all exhibits and attachments thereto and documents referred to therein), and the execution, delivery and performance thereof by the Reorganized Debtors, are authorized and approved as finalized, executed and delivered. Unless the provisions of the documents contained or referred to in the Plan Supplements, including, but not limited to, the Unsecured Claims Trust Agreement, provide otherwise, without further order or authorization of this Court, the Debtors, the Reorganized Debtors, the Unsecured Claims Trustee and their successors are authorized and empowered to make any and all modifications to all documents included as part of the Plan Supplements or otherwise contemplated by the Plan that are consistent with the Plan. Once finalized and executed, the documents comprising the Plan Supplements and all other documents contemplated by the Plan shall constitute legal, valid, binding and authorized obligations of the respective parties thereto, enforceable in accordance with their terms and, to the extent applicable, shall create, as of the Effective Date, all Liens and other security interests purported to be created thereby.

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

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

41. Solicitation and Notice. Notice of the Confirmation Hearing complied with the terms of the Approval Order, was appropriate and satisfactory based on the circumstances of the Chapter 11

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

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

43. Treatment in Full Satisfaction. The treatment of Claims and Interests set forth in the Plan (including the treatment of Delta Unsecured Claims, as set forth in Section 4.2(f) of the Plan), is in full and complete satisfaction of the legal, contractual and equitable rights that each holder of a Claim or Interest may have against the Debtors, the Debtors' Estates or their respective property, on account of such Claim or Interest.

44. Plan Consolidation. The Plan is predicated upon the consolidation of the Debtors' Estates for the purposes specified in the Plan (including voting, confirmation and distributions), as set forth more fully in Section 2.2 of the Plan. Consolidation of the Debtors' Estates for the purposes set forth in the Plan is in the best interest of all holders of Claims and Interests, is necessary for the

implementation of the Plan and is appropriate in these Chapter 11 Cases; for these reasons, the Plan Consolidation is approved.

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

46. Continued Corporate Existence. Except as otherwise provided in the Plan and subject to any restructuring transactions consummated as permitted by Section 6.7 of the Plan or described in the Plan Supplements, each Debtor shall, as a Reorganized Debtor, continue to exist after the Effective Date as a separate legal entity, each with all of the powers of a corporation, under the laws of its jurisdiction of organization and without prejudice to any right to alter or terminate such existence (whether by merger or otherwise) under applicable state law.

47. Cancellation of Old Stock and Debtors' Obligations under Indenture Documents. On the Effective Date, all rights of any holder of Claims against, or Interest in, the Debtors, including options or warrants to purchase Interests, obligating the Debtors to issue, transfer or sell Interests or any other capital stock of the Debtors, shall be cancelled; *provided, however*, that Interests in the Subsidiary Debtors shall be, at Delta's option, Reinstated or cancelled as part of the restructuring transactions described in Section 4.2(j) of the Plan. Regarding the Indenture and any related note, guaranty, bond, certificate or similar instrument (together the "**Indenture Documents**"), the obligations of the Debtors thereunder and in any way related thereto shall be fully satisfied, released and discharged in exchange for the treatment provided under the Plan for Allowed Other General Unsecured Claims, if any, arising under the Indenture Documents; *provided* that the satisfaction, release and discharge of the Debtors'

obligations with respect to the Indenture Documents shall not alter the obligations or rights of any non-Debtor third parties vis-à-vis one another with respect to such Indenture Documents.

48. Authorization of New Common Stock. Without further act or action under applicable law, regulation, order or rule, Reorganized Pinnacle Holdings is authorized to issue the New Common Stock to Delta on the Effective Date pursuant to the terms of the Plan, free and clear of all Liens, Claims and other Interests. Each share of the New Common Stock issued and distributed pursuant to the Plan shall be duly authorized, validly issued, and fully paid and non-assessable.

49. Continuing Restructuring Transactions. On or after the Effective Date, including subsequent to the cancellation and discharge of all Claims pursuant to the Plan and prior to the issuance of the New Common Stock, the Reorganized Debtors may engage in or take such actions as may be necessary or appropriate to effect corporate restructurings of their respective businesses, including actions necessary to simplify, reorganize and rationalize the overall reorganized organizational structure of the Reorganized Debtors. The transactions may include: (a) dissolving companies or creating new companies (including limited liability companies), (b) merging, dissolving, transferring assets or otherwise consolidating any of the Debtors in furtherance of the Plan, or engaging in any other transaction in furtherance of the Plan, including, but not limited to, Pinnacle Airlines Corp. merging into Pinnacle Airlines, Inc., with Pinnacle Airlines, Inc. being the surviving entity and thereafter, Colgan Air, Inc., Mesaba Aviation, Inc. and Pinnacle East Coast Operations Inc. merging into Pinnacle Airlines, Inc., with Pinnacle Airlines, Inc. being the surviving entity, (c) filing appropriate certificates or articles of merger, consolidation or dissolution pursuant to applicable state law and (d) any other action reasonably necessary or appropriate in connection with such organizational restructurings. In each case in which the surviving, resulting or acquiring Entity in any of these transactions is a successor to a Reorganized Debtor, such surviving, resulting or acquiring Entity will perform the obligations of the applicable Reorganized Debtor pursuant to the Plan, including paying or otherwise satisfying the

Allowed Claims to be paid by such Reorganized Debtor. Implementation of any restructuring transactions shall not affect any distributions, discharges, exculpations, releases or injunctions set forth in the Plan.

50. Unsecured Claims Trust.

(a) Without further order or authorization of this Court, on the Effective Date, the Debtors or the Reorganized Debtors, as applicable, the Creditors' Committee and the Unsecured Claims Trustee are authorized to enter into and perform under the Unsecured Claims Trust Agreement.

(b) On the Effective Date, the Unsecured Claims Trust shall be established pursuant to the Plan and the Unsecured Claims Trust Agreement for the sole purposes of liquidating the Unsecured Claims Trust Assets on account of Trust Interests, resolving all Disputed General Unsecured Claims and making all distributions to holders of Allowed General Unsecured Claims, in each case in accordance with the Plan and the Unsecured Claims Trust Agreement.

(c) On the Effective Date, (i) Delta shall fund the Unsecured Claims Trust with \$2.25 million minus any fees and costs incurred by the Creditors' Committee's advisors through the Effective Date in connection with any investigation conducted by the Creditors' Committee with respect to the Trustee Causes of Action and ultimately paid and (ii) the Debtors and the Creditors' Committee shall transfer to the Unsecured Claims Trust all right, title and interest to the Trustee Causes of Action and any proceeds therefrom ((i) and (ii) together, the "**Unsecured Claims Trust Assets**"). Any recoveries on account of the Unsecured Claims Trust Assets shall be distributed to holders of Trust Interests in accordance with the Plan and the Unsecured Claims Trust Agreement. Upon funding of the Unsecured Claims Trust, none of Delta, its affiliates, the Debtors or the Reorganized Debtors shall have any further liability or obligation with respect to Unsecured Claims. In no event shall Delta, its affiliates, the Debtors or the Reorganized Debtors

be deemed to have any fiduciary or other duty to the Unsecured Claims Trust, nor any responsibilities for administering the Unsecured Claims Trust Assets, reconciling, objecting to or resolving Unsecured Claims, or distributing any funds or other assets to holders of Allowed Unsecured Claims.

(d) The appointment of the Unsecured Claims Trust Board in accordance with the terms of the Plan and the Unsecured Claims Trust Agreement is hereby approved. Effective on the Effective Date, the initial members of the Unsecured Claims Trust Board shall serve as members of the Unsecured Claims Trust Board in accordance with the terms of the Plan and the Unsecured Claims Trust Agreement. The appointment of the Unsecured Claims Trustee by the Unsecured Claims Trust Board in accordance with the terms of the Plan and the Unsecured Claims Trust Agreement is hereby approved.

51. Corporate Action

(a) On and after the Effective Date, the adoption, filing, approval and ratification, as necessary, of all corporate or related actions contemplated hereby with respect to each of the Reorganized Debtors shall be deemed authorized and approved in all respects. Without limiting the foregoing, such actions may include: (i) the adoption and filing of the New Certificate of Incorporation, (ii) the adoption and filing of certificates of incorporation and other organizational documents of the Reorganized Debtors and (iii) the restructuring transactions authorized by Section 6.7 of the Plan, including those described in the Plan Supplements.

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

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

52. New Board. Upon the occurrence of the Effective Date, the Persons proposed to serve as members of the New Board, as identified in the Plan Supplement filed on March 29, 2013, shall automatically constitute the New Board.

53. Compensation Programs. The entry of this Confirmation Order constitutes authorization and approval to retain employees, officers, and directors in accordance with the Plan Supplement detailing post-emergence employee, officer and director compensation, filed on March 29, 2013.

54. Securities Laws Exemption. To the maximum extent provided by section 1145 of the Bankruptcy Code and applicable non-bankruptcy law, the offering, issuance and distribution of the New Common Stock shall be exempt from, among other things, the registration and prospectus delivery requirements of Section 5 of the Securities Act and any other applicable state and federal law requiring registration and/or delivery of a prospectus prior to the offering, issuance, distribution or sale of securities. In addition, to the maximum extent provided by section 1145 of the Bankruptcy Code, any securities contemplated by the Plan and any and all agreements incorporated therein, including the New Common Stock, shall be subject to (i) the provisions of section 1145(b)(1) of the Bankruptcy Code relating to the definition of an underwriter in section 2(a)(11) of the Securities Act; (ii) compliance with any rules and regulations of the Securities and Exchange Commission, if any, applicable at the time of

any future transfer of such securities or instruments; (iii) the restrictions, if any, on the transferability of such securities and instruments, including those set forth in the New Certificate of Incorporation; and (iv) applicable regulatory approval, if any.

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

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

57. Disputed Claims. On and after the Effective Date, the Unsecured Claims Trustee shall have the sole authority to litigate, compromise, settle, otherwise resolve or withdraw any objections to Unsecured Claims and to compromise, settle or otherwise resolve any Disputed Unsecured Claims without notice to or approval by the Bankruptcy Court or any other party, and the Reorganized Debtors shall have the sole authority to litigate, compromise, settle, otherwise resolve or withdraw any objections to all Administrative Claims, Priority Claims and Secured Claims and to compromise, settle or otherwise resolve any Disputed Administrative Claims, Disputed Priority Claims or Disputed Secured Claims without notice to or approval by the Bankruptcy Court or any other party. Notwithstanding any other provision in the Plan, no payments or distributions shall be made with respect to a Disputed Claim unless and until all objections to such Disputed Claim have been settled or withdrawn or have been determined by a Final Order, and the Disputed Claim has become an Allowed Claim.

58. Other Administrative Claim Bar Date. All requests for payment of Other Administrative Claims that accrued on or before the Effective Date (other than Professional Fee Claims, which are subject to the provisions of Section 8.1 of the Plan) must be filed with the Claims Agent and served on

counsel for the Debtors and Reorganized Debtors by the Other Administrative Claim Bar Date. Any requests for payment of Other Administrative Claims pursuant to Section 8.2 of the Plan that are not properly filed and served by the Other Administrative Claim Bar Date shall not appear on the register of claims maintained by the Claims Agent and shall be disallowed automatically without the need for any objection from the Debtors or the Reorganized Debtors or any action by the Bankruptcy Court.

Notwithstanding the foregoing, requests for payment of Other Administrative Claims need not be filed with respect to Other Administrative Claims that (i) are for goods or services provided to the Debtors in the ordinary course of business, (ii) previously have been Allowed by Final Order of the Bankruptcy Court, including the DIP Orders, (iii) are for Cure amounts, (iv) are on account of post-petition taxes (including any related penalties or interest) owed by the Debtors or the Reorganized Debtors to any governmental unit (as defined in section 101(27) of the Bankruptcy Code) or (v) the (a) Debtors and Delta, or (b) Reorganized Debtors have otherwise agreed in writing do not require such a filing.

59. Approval of Assumption or Rejection of Executory Contracts. Entry of this Confirmation Order shall, subject only to the occurrence of the Effective Date, constitute the approval, (a) pursuant to sections 365(a) and 1123(b)(2) of the Bankruptcy Code, of the assumption of the executory contracts and unexpired leases assumed pursuant to Article 10 of the Plan, (b) pursuant to sections 365(a) and 1123(b)(2) of the Bankruptcy Code, of the assumption and assignment of the executory contracts and unexpired leases assumed and assigned pursuant to Article 10 of the Plan, and (c) pursuant to section 365(a) and 1123(b)(2) of the Bankruptcy Code, of the rejection of the executory contracts and unexpired leases rejected pursuant to Article 10 of the Plan. In the event that the mergers of some or all of the Debtors—as contemplated in Section 6.7 of the Plan, including as described in the Plan Supplements—are consummated, any executory contracts or unexpired leases assumed by the Debtors hereunder, under the Plan or by prior order of the Court, shall be assumed and assigned (and be deemed to be assumed and assigned) to the surviving entity of the applicable merger, and any provision

in any executory contract or unexpired lease so assumed and assigned that purports to declare a breach or default as a result of a change of control, an assignment of such contract, the Debtors' or the Reorganized Debtors' financial condition, bankruptcy, or failure to perform any of its obligations under such contract is unenforceable, and no counterparty to any such executory contract or unexpired lease so assumed and assigned shall be permitted to declare a default by or against the Debtors or the Reorganized Debtors under such contract or otherwise take any action against the Debtors or the Reorganized Debtors in connection with any of the foregoing.

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

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

62. Cure of Defaults. The parties to each executory contract and unexpired lease to be assumed or assumed and assigned pursuant to the Plan were afforded good and sufficient notice of such assumption or assumption and assignment and an opportunity to object and be heard. Treatment Objections shall be resolved consistent with Section 10.5(c) of the Plan. Consistent with Section 10.5(d) of the Plan, if a Treatment Objection is filed with respect to any executory contract or unexpired lease

sought to be assumed or rejected by any of the Debtors or Reorganized Debtors, Delta and the Reorganized Debtors reserve the right (a) to seek to assume or reject such agreement at any time before the assumption, rejection, assignment or Cure with respect to such agreement is determined by Final Order and (b) to the extent a Final Order is entered resolving a dispute as to Cure or the permissibility of assignment (but not approving the assumption of the executory contract or unexpired lease sought to be assumed), to seek to reject such agreement within 14 calendar days after the date of such Final Order, in each case by filing with the Bankruptcy Court and serving upon the applicable Assumption Party or Rejection Party, as the case may be, a Notice of Intent to Assume or Reject.

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

64. Rejection Claims and Rejection Bar Date. Any Rejection Claim must be filed with the Claims Agent by the earlier of the Rejection Bar Date and 30 days after the entry of this Confirmation

Order (the “**Confirmation Bar Date**”). Any Rejection Claim for which a Proof of Claim is not properly filed and served by the Confirmation Bar Date shall be forever barred and shall not be enforceable against the Debtors, the Reorganized Debtors or their respective Estates or properties. The Debtors, the Reorganized Debtors or the Unsecured Claims Trustee, as applicable, may contest any Rejection Claim in accordance with, and to the extent provided by, Section 9.1 of the Plan.

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

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

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

67. Discharge of Claims and Termination of Interests. Except as otherwise specifically provided herein or in the Plan, the rights afforded in the Plan and the payments and distributions to be made hereunder shall discharge all existing debts, 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 herein or in the Plan, 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 Reorganized 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 therefor were known or existed prior to the Effective Date. This Confirmation Order shall be a judicial determination of the discharge of all Claims and Causes of Action against, liabilities of and Interests in the Debtors, subject to the occurrence of the Effective Date.

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

69. Injunction. Except as otherwise expressly provided herein or 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 Reorganized Debtors or property of any Debtors or Reorganized 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 Reorganized Debtors or property of any Debtors or Reorganized 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 Reorganized Debtors or against the property or interests in property of the Debtors or Reorganized Debtors other than to enforce any right to a distribution pursuant to the Plan or (iv) asserting any right of setoff, subrogation or recoupment of any kind against any obligation due from the Debtors or Reorganized Debtors or against the property or interests in property of the Debtors or Reorganized 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 Reorganized Debtors and their respective properties and interest in properties.

70. Term of Injunction or Stay. Unless otherwise provided in the Plan or herein, 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.

71. Exculpation. As provided for in Section 12.6 of the Plan, 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 Restructuring Support Agreement, 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.

72. Release by the Debtors. As provided for in Section 12.7 of the Plan, 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 (including Section 12.12(c) thereof), on and after the Effective Date, in exchange for their cooperation, the Released Parties shall be deemed released and discharged by the Debtors, the Reorganized 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 Reorganized Debtors, whether known or unknown, foreseen or unforeseen, existing or hereinafter arising, in law, equity, or otherwise, that the Debtors, the Reorganized 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 Reorganized Debtors, based on or relating to, or in any manner arising from, in whole or in part, the Debtors, the Reorganized Debtors, the Chapter 11 Cases, the purchase, sale or rescission of the purchase or sale of any security of the Debtors or the Reorganized 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 Supplements, 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 Reorganized Debtors or any of their respective Affiliates, officers, directors, members, employees, advisors, actuaries, attorneys, financial advisors, investment bankers, professionals or agents, then the release set forth in Section 12.7 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 Reorganized Debtors under the Plan, this Confirmation Order, any postpetition or assumed contract, including, but not limited to, the Insurance Policies (to the extent provided for in Section 10.3(a) of the Plan), 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.

73. Voluntary Releases by the Holders of Claims and Interests. As provided for in Section 12.8 of the Plan, except as otherwise specifically provided herein or in the Plan (including Section 12.12(c) thereof), for good and valuable consideration, on and after the Effective Date, to the maximum extent permitted by applicable law, holders of Claims that (a) voted to accept or reject the Plan and (b)

did not elect (as permitted on the Ballots) to opt out of the releases contained in this paragraph shall be deemed to have conclusively, absolutely, unconditionally, irrevocably and forever, released and discharged the Debtors, the Reorganized 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 Reorganized 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 Reorganized 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 Reorganized 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 Supplements 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 is determined in a Final Order to have constituted willful misconduct or gross negligence; *provided* that any holder of a Claim that elected to opt out of 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).

74. Bankruptcy Court Jurisdiction to Evaluate Scope of Release and Exculpation and Related Injunction. Following entry of this Confirmation Order, this Court shall retain exclusive jurisdiction to consider any and all Claims or Causes of Action subject to the exculpations and releases in Section 12.6, Section 12.7 or Section 12.8 of the Plan for the purpose of determining whether such claims belong to

the Debtors' Estates or third parties and all parties shall be enjoined from pursuing any such Claims or Causes of Action prior to this Court making such determination. In the event it is determined that any such Claims or Causes of Action belong to third parties, then, subject to any applicable subject matter jurisdiction or other statutory limitations, this Court shall have exclusive jurisdiction with respect to any such litigation, subject to any determination by this Court to abstain and consider whether such litigation should more appropriately proceed in another forum.

75. Except as otherwise provided herein or in the Plan and to the maximum extent permitted by law, all entities who have held, hold or may hold Claims, Interests, Causes of Action or liabilities that (1) have been released pursuant to Section 12.7 of the Plan, (2) have been released pursuant to Section 12.8 of the Plan or (3) are subject to exculpation pursuant to Section 12.6 of the Plan (such Claims, Interests, Causes of Action or liabilities described in clauses (1) to (3), the **"Enjoined Causes of Action"**) are permanently enjoined and precluded, from and after the Effective Date, from commencing or continuing in any manner any such Enjoined Causes of Action against, as applicable, any Released Party or Exculpated Party, including, with respect thereto, (i) the enforcement, attachment, collection or recovery by any manner or means of any judgment, award, decree or order against the Exculpated Parties or the Released Parties (or property of any Exculpated Party or Released Party), (ii) creating, perfecting or enforcing any Lien or encumbrance of any kind against the Exculpated Parties or the Released Parties or against the property or interests in property of the Exculpated Parties or the Released Parties, or (iii) asserting any right of setoff, subrogation or recoupment of any kind against any obligation due from the Exculpated Parties or the Released Parties or against the property or interests in property of the Exculpated Parties or the Released Parties, with respect to any such Claim, Cause of Action or Interest. Such injunction of the Enjoined Causes of Action shall, to the maximum extent permitted by law, extend to any successors or assignees of the Exculpated Parties or the Released Parties and their respective properties and interest in properties.

76. Preservations of Causes of Action.

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

(b) Except as set forth in Article 12 of the Plan, nothing contained in the Plan or this Confirmation Order shall be deemed to be a waiver or relinquishment of any rights or Causes of Action that the Debtors had immediately prior to the Petition Date or the Effective Date against or with respect to any Claim left Unimpaired by the Plan. The Reorganized Debtors shall have, retain, reserve and be entitled to assert all such rights and Causes of Action as fully as if the Chapter 11 Cases had not been commenced, and all of the Reorganized Debtors' legal and equitable rights respecting any Claim left Unimpaired by the Plan may be asserted after the Confirmation Date to the same extent as if the Chapter 11 Cases had not been commenced.

(c) Nothing contained in the Plan or this Confirmation Order shall be deemed to be a waiver or relinquishment of any Causes of Action that are brought by the Creditors' Committee in this Court prior to the Effective Date against (i) management members who were not employees of the Debtors as of January 1, 2013 or (ii) current or former board members of Pinnacle Holdings (other than board members who were also employees as of January 1, 2013), in each of cases (i) and (ii) solely to the extent based on prepetition actions or omissions by those

parties, it being understood and agreed that (1) the Creditors' Committee shall have sole standing to investigate, commence, prosecute and settle any such causes of action, (2) any recovery with respect to such causes of action will be limited to available insurance proceeds, and (3) any such causes of action commenced by the Creditors' Committee in this Court prior to the Effective Date will be assigned to the Unsecured Claims Trust and the proceeds of any such causes of action will go into the Unsecured Claims Trust (collectively, the "**Trustee Causes of Action**").

(d) Except as set forth in Article 12 of the Plan, nothing contained in the Plan or this Confirmation Order shall be deemed to release any post-Effective Date obligations of any party under the Plan, or any document, instrument or agreement (including those set forth in a Plan Supplement) executed to implement the Plan.

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

(a) To hear and determine all matters with respect to the assumption or rejection of executory contracts or unexpired leases and the allowance of Cure amounts and Claims resulting therefrom;

(b) To hear and determine any motion, adversary proceeding, application, contested matter or other litigated matter pending on or commenced after the Confirmation Date;

(c) To hear and determine all matters with respect to the allowance, disallowance, liquidation, classification, priority or estimation of any Claim;

(d) To ensure that distributions to holders of Allowed Claims are accomplished as provided in the Plan;

(e) To hear and determine all applications for compensation and reimbursement of Professional Fee Claims;

(f) To hear and determine any application to modify the Plan in accordance with section 1127 of the Bankruptcy Code, to remedy any defect or omission or reconcile any inconsistency in the Plan, the Disclosure Statement or any order of the this Court, including this Confirmation Order, in such a manner as may be necessary to carry out the purposes and effects thereof;

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

(h) To hear and determine disputes arising in connection with Section 12.9 of the Plan;

(i) 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 this Court;

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

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

(l) 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);

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

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

(o) To recover all assets of the Debtors and property of the Debtors' Estates, which, except for the Trustee Causes of Action, shall be for the benefit of the Reorganized Debtors, wherever located;

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

(q) To hear and determine any rights, Claims or Causes of Action held by or accruing to the Debtors or the Reorganized Debtors pursuant to the Bankruptcy Code or pursuant to any federal or state statute or legal theory, which, except for the Trustee Causes of Action, shall be for the benefit of the Reorganized Debtors;

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

(s) To hear and determine any disputes arising in connection with the interpretation, implementation or enforcement of any new or renegotiated agreement (including leases, subleases, security agreements and mortgages and any amendments, modifications or supplements of or to any lease, sublease, security agreement or mortgage and such leases, subleases, security agreements or mortgages as so amended, modified or supplemented, and any agreement settling or providing for any claims or otherwise addressing any matters relating to

any lease, sublease security agreement or mortgage or any amendment modification or supplement of or to any lease, sublease, security agreement or mortgage) entered into after the Petition Date by the Debtors relating to an aircraft, aircraft engine, propeller, appliance or spare part (as each of these terms is defined in section 40102 of title 49 of the United States Code), including all records and documents relating to such equipment that are required under the terms of any applicable security agreement, lease or conditional sale contract to be surrendered or returned in connection with the surrender or return of such equipment, that is leased to, subject to a security interest granted by or conditionally sold to one of the Debtors;

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

(u) To enter a final decree closing the Chapter 11 Cases.

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

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

80. Exemption from Transfer Taxes and Recording Fees. Pursuant to section 1146(a) of the Bankruptcy Code, none of the issuance, Transfer or exchange of notes or equity securities under the Plan, the creation, 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, aircraft equipment or spare parts, or the

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

81. Effectiveness of All Actions. All actions authorized to be taken pursuant to the Plan shall be effective on, prior to or after the Effective Date pursuant to this Confirmation Order, without further application to, or order of the Court, or further action by the respective officers, directors, members or stockholders of Reorganized Pinnacle Holdings or the other Reorganized Debtors and with the effect

that such actions had been taken by unanimous action of such officers, directors, members or stockholders.

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

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

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

85. Resolution of Informal Objection from Texas. The injunction in Section 12.4 of the Plan and any similar injunction in this Confirmation Order or sections 524 or 1141 of the Bankruptcy Code shall not impair any defensive right of setoff of the Texas Comptroller of Public Accounts or the Texas

Workforce Commission (collectively, “**State of Texas**”), to the extent the State of Texas otherwise has a valid right of setoff.

86. Notwithstanding any provision in the Plan or this Confirmation Order to the contrary, in full and final satisfaction of Proofs of Claim number 1516, 1520 and 1606, the State of Texas shall have an Allowed Priority Tax Claim against the Debtors in the amount of \$224,831.53, which shall be paid on or within 30 days after the Effective Date.

87. Resolution of Objection from Tennessee. Notwithstanding anything contained in the Plan or this Confirmation Order to the contrary, nothing in the Plan or this Confirmation Order shall impair or otherwise preclude any valid and enforceable right of setoff or recoupment of the Tennessee Department of Revenue against the Debtors or the Reorganized Debtors.

88. Resolution of Flight 3407 Plaintiffs’ Informal Objection. Neither the treatment or classification of the Punitive Damages Claims in the Plan, nor any failure by any creditor holding a Punitive Damages Claim to object to the same, shall affect in any way: (i) the pursuit of such claim(s) on the merits in any jurisdiction; (ii) the availability of any insurance coverage in respect of such Punitive Damages Claims; or (iii) the treatment of any Punitive Damages Claim(s) in any other forum. For the avoidance of doubt, neither this Confirmation Order nor the Plan shall constitute a determination as to whether an award or judgment in any forum in connection with a Punitive Damages Claim against the Debtors is appropriate or necessary.

89. Nothing in the Plan or this Confirmation Order shall enjoin or impair the rights of those certain plaintiffs (the “**Flight 3407 Plaintiffs**”) in litigation pending in various state and federal courts and relating to Continental Connection Flight 3407 operated by Colgan on February 12, 2009 (the “**Flight 3407 Litigation**”) to (i) proceed to final judgment or settlement with respect to their claims relating to the Flight 3407 Litigation or (ii) attempt to recover any liquidated final judgment or settlement; *provided* that such claims shall only be entitled to (x) recover from any available insurance

proceeds and (y) be treated as Other General Unsecured Claims and Punitive Damage Claims, as applicable, under the Plan, and in no event shall such Flight 3407 Plaintiffs be entitled to any other type of payment from the Debtors, the Reorganized Debtors or, solely to the extent released under the Plan, any Released Parties on account of such claims; *provided further* that this provision shall not limit the rights, if any, of the Unsecured Claims Trustee to seek to estimate such claims in accordance with the Plan and applicable law.

90. The Debtors agree:

(a) While the Debtors deny responsibility for and liability on account of the claims asserted by the Flight 3407 Plaintiffs, the Debtors believe that such claims, including any Punitive Damages Claims, if awarded by a Final Order, are covered by, and payable under, the available insurance coverage, which has a \$1,750,000,000 aggregate limit, although the Debtors acknowledge that the insurers believe that a judicial decision will be required to determine whether state or federal law will limit their ability to indemnify Pinnacle for any punitive damages portion of a Final Order thereon. The Debtors have not received any disclaimer or denial of coverage notice from their relevant insurance carriers concerning any claims, including but not limited to Punitive Damages Claims, asserted by the Flight 3407 Plaintiffs. However, the Debtors have received letters from the lead insurer stating that it may be “constrained in its ability to indemnify punitive damages by reason of incorporated state and/or federal law, policy and/or regulation,” and until there has been a determination on the applicable law they are “not able to determine or anticipate the availability of [the policy’s] insurance benefits, if any, regarding the punitive damages aspect of claimants’ claims and lawsuits.” The Debtors’ insurance policy states:

The Policy shall be construed and governed by the laws of the State of Georgia. Terms of this Policy which are in conflict with the statutes of any State wherein this Policy has application are hereby amended to conform to such statutes.

All disputes arising under this Policy, including without limitation any dispute involving the coverage available hereunder, shall be governed by the Law of the State of Georgia and determined exclusively in the Georgia courts.

The Debtors represent that their lead insurer has stated that the applicable insurance policy “does not expressly exclude or otherwise prevent indemnification of punitive damages.

(b) In the event that the Flight 3407 Plaintiffs, or any of them, obtain a Final Order in any forum entitling them to recover on their claims, including but not limited to any Punitive Damages Claims, and the relevant insurer refuses to pay any part of such final judgment, or in the event that a declaratory judgment action or other proceeding designed to confirm the payability for the claims of the Flight 3407 Plaintiffs, including but not limited to any Punitive Damages Claims, is commenced in any forum, the Debtors confirm that they will neither prevent, object to, nor otherwise take any action to impair the Flight 3407 Plaintiffs, or any of them, from obtaining a determination (A) regarding the payability under the Debtors’ relevant insurance policies for such claims and/or (B) requiring the relevant insurers to cover such claims.

(c) Furthermore, in the event that any insurer, through the commencement of a declaratory judgment action or other proceeding against any of the Debtors or otherwise, seeks to confirm or deny coverage for, or payability of, the claims of the Flight 3407 Plaintiffs, including but not limited to any Punitive Damage Claims, then the Debtors agree (A) not to object to or contest any intervention by any Flight 3407 Plaintiffs in any such declaratory judgment or other proceeding and (B) upon written request of any Flight 3407 Plaintiff, to take such actions (at the sole reasonable expense of the requesting Flight 3407 Plaintiffs) as may be reasonably necessary to allow any such Flight 3407 Plaintiff to participate in such declaratory judgment or other proceeding; *provided*, that the Debtors shall not be required to (1) take any action they in good faith determine would constitute a breach of any applicable insurance agreement or compromise the availability of the applicable insurance coverage or (2) assign any of their rights under any

insurance agreement without the consent of the applicable insurers unless otherwise ordered by a court of competent jurisdiction.

91. Resolution of Informal Objection from the United States. 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 Reorganized 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 this Confirmation Order, pursuing any police or regulatory action to the extent such police or regulatory action does not seek payment of a Claim that has been discharged in this bankruptcy.

92. 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 (except as such discharge, release, impairment or preclusion is otherwise permitted by applicable law): (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 and enforceable right of setoff or recoupment of the United States against any of the Debtors; or (4) any liability of the Debtors or Reorganized Debtors, respectively, under environmental law to any Governmental Unit (as defined by section 101(27) of the Bankruptcy Code) because of such entity's ownership or operation of property, in the case of the Debtors, beginning after the Confirmation Date and through and including the Effective Date, and in the case of the Reorganized Debtors, on and after the Effective Date. Except as otherwise permitted by applicable law, nothing in this Confirmation Order or the Plan shall: (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.

93. 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 such entity may have; provided, however, that the foregoing sentence shall not (a) limit the scope of discharge granted to the Debtors under sections 524 and 1141 of the Bankruptcy Code; (b) diminish the scope of any exculpation, solely to the extent that any party is entitled to such exculpation in under section 1125(e) of the Bankruptcy Code; or (c) affect the releases provided by the Debtors under the Plan.

94. 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 Reorganized 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.

95. Nothing in the preceding four paragraphs shall (i) be construed to create for any governmental unit any substantive right that does not already exist under applicable law or (ii) limit in any respect the substantive rights of any party, including the Debtors, under the Bankruptcy Code or applicable law. No failure by the United States to object to any particular provision of the Plan or this Confirmation Order shall estop or otherwise prejudice the United States from later asserting that such

provision of the Plan or this Confirmation Order violates applicable law. To the extent the United States asserts that a provision violates applicable law, the Debtors shall not argue or assert in response that any such provision of the Plan or this Confirmation Order is enforceable against the United States by virtue of any failure of the United States to file an objection prior to confirmation of the Plan.

96. Disclosure: Agreements and Other Documents. The Debtors have disclosed all material facts regarding: (a) the New Certificate of Incorporation and similar constituent documents, (b) the selection of directors and officers for the Reorganized Debtors, (c) the restructuring transactions described in section 6.7 of the Plan and the Plan Supplements, (d) the distribution of Cash, (e) the New Common Stock, (f) the other matters provided for under the Plan involving corporate action to be taken by or required of the Reorganized Debtors, and (g) all contracts, leases, instruments, releases, indentures and other agreements related to any of the foregoing.

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

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

99. Notice of Entry of Confirmation Order and Effective Date. Pursuant to Bankruptcy Rules 2002(f)(7), 2002(k) and 3020(c), the Reorganized Debtors shall file and serve notice of entry of this Confirmation Order and Effective Date in substantially the form annexed hereto as Exhibit B (the “**Notice of Confirmation**”) on all holders of Claims and Interests, the United States Trustee for the Southern District of New York, the Unsecured Claims Trustee, Delta, the attorneys for the Creditors’

Committee and other parties-in-interest by causing the Notice of Confirmation to be delivered to such parties by first-class mail, postage prepaid, within 10 business days after the Effective Date. The Notice of Confirmation shall also be published in *The Wall Street Journal, National Edition*, and posted on the Debtors' case information website (located at <http://dm.epiq11.com/Pinnacle>). Such notice is adequate under the particular circumstances and is approved and no other or further notice is necessary. Such Notice of Confirmation shall also serve as the notice setting forth the Other Administrative Claim Bar Date required by section 8.2 of the Plan and as the notice of the Effective Date.

100. 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.

101. Post-Confirmation Order. Unless otherwise ordered by the Court, on and after the Effective Date, the requirements of Local Bankruptcy Rule 3021-1 are hereby waived with respect to the Reorganized Debtors.

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

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

104. Conflicts Between Confirmation Order, Plan and Unsecured Claims Trust Agreement.
The provisions of the Plan, the Unsecured Claims Trust Agreement and of this Confirmation Order shall

be construed in a manner consistent with each other so as to effect the purposes of each; *provided*, *however*, that if there is determined to be any inconsistency between any provision of the Plan, any provision of the Unsecured Claims Trust Agreement and/or any provision of this Confirmation Order that cannot be so reconciled, then, solely to the extent of such inconsistency, (i) the provisions of this Confirmation Order shall govern over the provisions of the Plan and the Unsecured Claims Trust Agreement and any such provision of this Confirmation Order shall be deemed a modification of the Plan or the Unsecured Claims Trust Agreement and shall control and take precedence and (ii) the provisions of the Plan shall govern over the provisions of the Unsecured Claims Trust Agreement and any such provision of the Plan shall be deemed a modification of the Unsecured Claims Trust Agreement and shall control and take precedence.

105. Final Order. This Confirmation Order is a final order and the period in which an appeal must be filed shall commence upon the entry hereof. Notwithstanding Bankruptcy Rule 3020(e) or any other Bankruptcy Rule, this Order shall be immediately effective and enforceable upon its entry.

Dated: April 17, 2013
New York, New York

s/ Robert E. Gerber

The Honorable Robert E. Gerber
UNITED STATES BANKRUPTCY JUDGE