

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

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In re: :
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DELTA AIR LINES, INC., et al., : **Chapter 11 Case No.**
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Debtors. : **05-17923 (ASH)**
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**ORDER APPROVING SUPPLEMENTAL TERM SHEET BETWEEN
THE DEBTORS AND SECTION 1114 PILOT RETIREE COMMITTEE**

Upon the motion dated January 24, 2007 (the “**Motion**”)¹ of Delta Air Lines, Inc. (“**Delta**”) and those of its subsidiaries that are debtors and debtors in possession (collectively, the “**Debtors**”),² pursuant to section 1114(e)(1)(B) and section 363(b) of the Bankruptcy Code, for an order approving the Supplemental Term Sheet; and the Court having jurisdiction to consider the Motion and the relief requested therein pursuant to 28 U.S.C. § 1334 and the Standing Order of Referral of Cases to Bankruptcy Court Judges of the District Court for the Southern District of New York, dated July 10, 1984 (Ward, *Acting C.J.*); and consideration of the Motion and the requested relief being a core proceeding that the Bankruptcy Court can determine pursuant to 28 U.S.C. § 157(b)(2);

¹ Unless otherwise defined herein, each capitalized term shall have the meaning ascribed to it in the Motion.

² The Debtors are the following entities: ASA Holdings, Inc.; Comair Holdings, LLC; Comair, Inc.; Comair Services, Inc.; Crown Rooms, Inc.; DAL Aircraft Trading, Inc.; DAL Global Services, LLC; DAL Moscow, Inc.; Delta AirElite Business Jets, Inc.; Delta Air Lines, Inc.; Delta Benefits Management, Inc.; Delta Connection Academy, Inc.; Delta Corporate Identity, Inc.; Delta Loyalty Management Services, LLC; Delta Technology, LLC; Delta Ventures III, LLC; Epsilon Trading, LLC; Kappa Capital Management, Inc.; and Song, LLC.

and venue being proper before the Court pursuant to 28 U.S.C. §§ 1408 and 1409; and the Pilot Committee being the court-approved “authorized representatives” of pilot retirees under section 1114 in these cases; and due and proper notice of the Motion having been provided; and it appearing that no other or further notice need be provided; and the relief requested in the Motion being contemplated by the Term Sheet approved by this Court on October 19, 2006; and the relief requested in the Motion being in the best interests of the Debtors, their estates, their creditors and all other parties in interest in these cases; and entering into the Supplemental Term Sheet³ representing a prudent exercise of the Debtors’ business judgment; and the Debtors having articulated good, sufficient and sound business justifications and compelling circumstances for entering into the Supplemental Term Sheet; and the Court having reviewed the Motion and having held a hearing with appearances of parties in interest noted in the transcript thereof; and the Court having determined that the legal and factual bases set forth in the Motion establish just cause for the relief granted herein; and upon all of the proceedings had before the Court and after due deliberation and sufficient cause appearing therefor; it is hereby

FOUND that, taking into account the general uncertainty, expense, inconvenience and possibility of delay entailed in litigation generally, the agreement embodied in the Supplemental Term Sheet is well within the range of reasonable outcomes that may have resulted from litigation; and it is further

FOUND that the Supplemental Term Sheet is in the best interests of the Debtors’ estates and in the best interests of creditors; and it is further

³ Each reference herein to the Supplemental Term Sheet shall mean the Supplemental Term Sheet as amended by the amendment to the Supplemental Term Sheet, attached as Exhibit C to the Debtors’ Reply [Docket No. 4616].

FOUND that, based on the foregoing, the Supplemental Term Sheet represents a sound exercise of the Debtors' business judgment; and it is therefore hereby

ORDERED that the relief requested in the Motion is hereby granted; and it is further

ORDERED that, pursuant to section 1114(e)(1)(B) and section 363(b) of the Bankruptcy Code, the Supplemental Term Sheet is authorized and approved in all respects; and it is further

ORDERED that the Debtors, pursuant to section 363(b) of the Bankruptcy Code, and in their sole discretion, are authorized to enter into the Supplemental Term Sheet and to execute, deliver, implement and fully perform any and all obligations under the Supplemental Term Sheet and all related instruments, documents and papers and to take any and all actions reasonably necessary or appropriate in connection thereto; and it is further

ORDERED that the methodology for liquidating unsecured non-priority claims set forth in the Supplemental Term Sheet is hereby approved in all respects, and the claims scheduled by the Debtors are hereby finally allowed for all purposes (and are not subject to reconsideration under section 502(j) of the Bankruptcy Code or otherwise), subject only to the applicable claimants' right to file a proof of claim on or before March 12, 2007 and otherwise in compliance with the procedures set forth in the Notice of Amendment to Schedules of Assets and Liabilities and of Subject Creditor Bar Date, which Notice has already been mailed to each applicable claimant; and it is further

ORDERED that the only remaining basis for filing a proof of claim which disputes the amount of the particular claim scheduled by the Debtors is that the applicable claimant has a good faith belief there has been an error with respect to either (i) the

personal data used to calculate the claim or (ii) the mathematical calculation of the claim. Proofs of claim that purport to dispute the methodology set forth in the Supplemental Term Sheet and used to calculate the claim need not be addressed by the Debtors and their agents; and it is further

ORDERED that the failure to specifically describe or include any particular feature of the Supplemental Term Sheet in this Order shall not diminish or impair the effectiveness of such feature, it being the intent of this Court that the Supplemental Term Sheet be approved in its entirety; and it is further

ORDERED that the Court shall retain jurisdiction with respect to any disputes arising from this or other actions to interpret, administer or enforce the terms and provisions of this Order; and it is further

ORDERED that the Pilot Committee, and its respective current or former members, advisors, professionals, or agents (including any attorneys, financial advisors, actuaries, and other professionals retained by the Pilot Committee, but solely in their capacities as such) shall not have or incur any liability to any retiree, spouse, survivor or other beneficiary for any act or omission in connection with, related to, or arising out of the section 1114 process, retiree healthcare, or the negotiation and execution of the Supplemental Term Sheet, including all documents ancillary thereto and all decisions, actions, inactions and alleged negligence or misconduct relating thereto, except with respect to bad faith, willful misconduct or ultra vires acts as determined by a final order of this Court; and it is further

ORDERED that the notice procedures satisfy Bankruptcy Rules 2002, 6004, 9014, 9019 and Local Bankruptcy Rules 6004-1(a) and 9006-1 by providing the counterparties with notice and an opportunity to object and be heard.

Dated: February 22, 2007
White Plains, New York

/s/ Adlai S. Hardin, Jr.
UNITED STATES BANKRUPTCY JUDGE