

Objection Deadline: July 16, 2007 at 4:00 p.m. (Eastern Time)
Hearing Date and Time: August 20, 2007 at 2:30 p.m. (Eastern Time)

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

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In re: : Chapter 11 Case No.
: :
DELTA AIR LINES, INC. et al.,¹ : 05-17923 (ASH)
: :
Debtors. : (Jointly Administered)
: :
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**FIFTH INTERIM AND FINAL APPLICATION OF DEBEVOISE
& PLIMPTON LLP, AS SPECIAL AIRCRAFT ATTORNEYS FOR THE
DEBTORS, FOR ALLOWANCE OF COMPENSATION FOR PROFESSIONAL
SERVICES RENDERED AND REIMBURSEMENT OF
ACTUAL AND NECESSARY EXPENSES INCURRED**

Name of Applicant: Debevoise & Plimpton LLP
Authorized to Provide
Professionals Services to: Delta Air Lines, Inc., et al.
Effective Date of Retention: September 14, 2005

¹ 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, Inc.; Kappa Capital Management, Inc.; and Song, LLC.

Interim Time Period for Which
Compensation and Reimbursement is
Sought:

February 1, 2007 through March 31, 2007

Total Time Period for Which Compensation
and Reimbursement is Sought:

September 14, 2005 through March 31,
2007

Current Application:

Interim Fees Incurred²: \$ 4,411,884.67
Interim Expenses Incurred: \$ 69,569.65

Total Fees Incurred³: \$30,212,031.32
Total Expenses Incurred: \$ 560,380.53

Prior Applications:

Fees Incurred⁴: \$25,800,146.65
Fees Awarded: \$25,800,146.65
Expenses Incurred: \$ 490,810.88
Expenses Awarded: \$ 490,810.88

This is a(n): ___monthly ___interim ___X___final application.⁵

Debevoise & Plimpton LLP (“**Debevoise**”) hereby makes its fifth interim and final application (the “**Application**”) to this Court, as special aircraft attorneys for Delta Air Lines, Inc. (“**Delta**”), and those of its subsidiaries that are debtors and debtors-in-possession in these proceedings (collectively, the “**Debtors**”), for (i) interim allowance of compensation for professional services rendered during the period from February 1, 2007 through March 31, 2007 (the “**Final Interim Period**”) and for reimbursement of expenses incurred during the Final Interim Period, and (ii) final allowance of compensation for professional services performed by Debevoise and reimbursement of actual and necessary expenses incurred for the

² This amount reflects a voluntary fee reduction of \$43,812.20 already deducted from the compensation sought in the monthly fee statements for February and March 2007.

³ This amount reflects a voluntary fee reduction of \$382,434.60.

⁴ This amount reflects a voluntary fee reduction of \$338,622.40.

⁵ Debevoise and Plimpton LLP reserves the right to supplement this Application with fees and expenses not yet accounted for or processed in its accounting system.

period commencing September 14, 2005 through and including March 31, 2007 (the “**Total Compensation Period**”). In support of this Application, Debevoise respectfully represents as follows:

Preliminary Statement

1. These Chapter 11 cases, which commenced on September 14, 2005 (the “**Petition Date**”) and lasted over 19 months, have been among the largest and most complex ever filed in this Court. During the proceedings, Debevoise served as the Debtors’ special aircraft counsel with principal responsibility for advising the Debtors in connection with the restructuring of its aircraft fleet and billions of dollars in related financing.

2. On the Petition Date, the Debtors’ fleet consisted of 796 aircraft—the largest fleet of any airline to ever enter bankruptcy proceedings. These aircraft were financed by the Debtors through a variety of private and public transactions, including single investor leases, leveraged leases, pass-through equipment trust certificate financings, equipment trust certificate financings and enhanced equipment trust certificate financings. These transaction structures are highly complex, involving numerous interlocking transaction documents and hundreds of parties, each with different rights and interests. With the assistance of Debevoise and its other aircraft advisors, the Debtors refinanced over 275 aircraft and returned or otherwise disposed of approximately 140 aircraft. These refinancings and returns in turn reduced the Debtors’ aircraft-related costs by hundreds of millions of dollars per annum, a substantial component of the annual cost reductions achieved by the Debtors in these cases.

3. Because of the substantial complexity of these transactions, and the extraordinary pressure under which the transactions were conducted, Debevoise fielded lawyers with expertise in a broad array of legal specialties, including aircraft financing, bankruptcy, tax,

securities and litigation. These professionals were organized into teams capable of handling multiple simultaneous negotiations. Separate teams were created to handle the large restructuring with the Ad Hoc Committee of Senior Secured Creditors (the “**Ad Hoc Committee**”), the Comair regional jet fleet and several other groupings of aircraft within the Debtors’ mainline fleet.

4. As described in further detail, Debevoise’s efforts to advise and represent the Debtors during the Total Compensation Period have provided substantial benefits to the Debtors’ estates. In consideration of the scale and complexity of these cases, Debevoise’s fees for professional services are reasonable under the applicable standards. For these reasons, Debevoise requests the Court to grant the Application and allow final compensation for professional services and final reimbursement for expenses, as described herein.

Background

A. Generally

5. On September 14, 2005, the Petition Date, the Debtors commenced these cases under Chapter 11 of the Bankruptcy Code. The Debtors continued to operate and manage their businesses and properties as debtors-in-possession pursuant to Sections 1107(a) and 1108 of the Bankruptcy Code. No trustee or examiner has been appointed herein.

6. This Court has jurisdiction over these cases and this Application pursuant to 28 U.S.C. §§ 157 and 1334(b). Venue is proper in this district pursuant to 28 U.S.C. §§ 1408 and 1409(a) and Rule 5005(a)(1) of the Bankruptcy Rules.

7. The Debtors’ Chapter 11 cases have been consolidated for procedural purposes only and are being jointly administered pursuant to an order of this Court.

8. On September 28, 2005, the United States Trustee for the Southern District of New York (the “**United States Trustee**”) appointed the Official Committee of Unsecured Creditors (the “**Creditors’ Committee**”) pursuant to Section 1102 of the Bankruptcy Code.

9. On February 7, 2007, the Court entered an order approving the Disclosure Statement for Debtors' Joint Plan of Reorganization Under Chapter 11 of the Bankruptcy Code, dated February 7, 2007 (the “**Disclosure Statement**”), and authorizing the Debtors to solicit votes from on the Debtors' Joint Plan of Reorganization Under Chapter 11 of the Bankruptcy Code, attached as Appendix A to the Disclosure Statement.

10. On April 25, 2007, the Court entered an order confirming the Debtors’ Joint Plan of Reorganization Under Chapter 11 of the Bankruptcy Code (the “**Plan**”). The Debtors successfully emerged from Chapter 11 on April 30, 2007.

11. Upon information and belief, the Debtors have filed all monthly operating reports required under the Operating Guidelines and Financial Reporting Requirements promulgated by the United States Trustee and have paid all quarterly fees due the United States Trustee.

Retention of Debevoise

12. In June 2004, the Debtors retained Debevoise to advise them with respect to aircraft-related issues in connection with their out-of-court restructuring efforts. In connection with its retention, Debevoise received a retainer in the amount of \$2,000,000 from the Debtors (the “**Retainer**”).⁶

13. On the Petition Date, the Debtors filed an application with this Court seeking to employ Debevoise as special aircraft counsel to the Debtors in connection with these

⁶ In addition, as of the Petition Date, Debevoise held \$144,458.33, representing the excess of an estimated payment for pre-petition fees and expenses over fees and expenses actually accrued as of the Petition Date. Both the Retainer and this excess were applied to Debevoise’s first monthly fee statement.

proceedings. By order, dated October 18, 2005, this Court authorized the Debtors to employ Debevoise as special aircraft counsel pursuant to Sections 327(a) and 328(a) of the Bankruptcy Code and Federal Rule of Bankruptcy Procedure 2014(a), effective as of the commencement of these Chapter 11 cases.

Previous Compensation

14. On March 6, 2006, Debevoise filed its First Application of Debevoise & Plimpton LLP, As Special Aircraft Attorneys for the Debtors, for Interim Allowance of Compensation and Expense Reimbursement for the Period from September 14, 2005 through January 31, 2006 (the “**First Application**”), in the amount of \$9,704,720.53. On June 5, 2006, the Court approved the First Application and signed the Order Granting Applications for Allowance of Interim Compensation and Reimbursement of Expenses.

15. On July 13, 2006, Debevoise filed its Second Application of Debevoise & Plimpton LLP, As Special Aircraft Attorneys for the Debtors, for Interim Allowance of Compensation and Expense Reimbursement for the Period February 1, 2006 through May 31, 2006 (the “**Second Application**”), in the amount of \$7,024,455.24. On August 21, 2006, the Court approved the Second Application and signed the Order Granting Applications for Allowance of Interim Compensation and Reimbursement of Expenses.

16. On November 10, 2006, Debevoise filed its Third Application of Debevoise & Plimpton LLP, As Special Aircraft Attorneys for the Debtors, for Interim Allowance of Compensation and Expense Reimbursement for the Period from June 1, 2006 through September 30, 2006 (the “**Third Application**”), in the amount of \$4,615,779.95. On December 18, 2006, the Court approved the Third Application and signed the Order Granting Applications for Allowance of Interim Compensation and Reimbursement of Expenses.

17. On March 16, 2007, Debevoise filed its Fourth Application of Debevoise & Plimpton LLP, As Special Aircraft Attorneys for the Debtors, for Interim Allowance of Compensation and Expense Reimbursement for the Period from October 1, 2006 through January 31, 2007 (the “**Fourth Application**”), in the amount of \$4,946,001.81. On April 19, 2007, the Court approved the Fourth Application and signed the Order Granting Applications for Allowance of Interim Compensation and Reimbursement of Expenses.

18. In addition, pursuant to the Interim Compensation Order, Debevoise has submitted two monthly fee statements for services rendered and expenses incurred during the Final Interim Period. As of the date hereof, Debevoise has received, or expects to receive, payment from the Debtors in the aggregate amount of \$3,599,077.38, representing 80% of the fees and 100% of the expenses incurred during the Final Interim Period. In accordance with the Interim Compensation Order, \$882,376.94, representing 20% of the fees incurred during the Final Interim Period, was held back pending further order of this Court.

**Summary of Professional Compensation
and Reimbursement of Expenses Requested**

19. This Application is made pursuant to Sections 330 and 331 of Title 11 of the United States Code (the “**Bankruptcy Code**”) and Rule 2016 of the Federal Rules of Bankruptcy Procedure (the “**Bankruptcy Rules**”) and has been prepared in accordance with the Amended Guidelines for Fees and Disbursements for Professionals in Southern District of New York Bankruptcy Cases adopted by the Court on April 19, 1995 (the “**Local Guidelines**”).

20. Debevoise seeks final allowance of the compensation for professional services rendered to the Debtors during the Final Interim Period, in the aggregate amount of

\$4,411,884.67⁷ and for reimbursement of expenses incurred in connection with the rendition of such services in the aggregate amount of \$69,569.65. Debevoise also seeks an order directing the Debtors to pay to Debevoise \$882,376.94, representing the 20% holdback of fees for professional services rendered during the Final Interim Period, all as more fully set forth below.

21. Attached hereto as Exhibit A are a summary of hours, fees and costs by project for the Final Interim Period and, for each project category for the Final Interim Period, a computer printout showing the total hours billed, the composite hourly billing rate and, for each professional charging time to the project category, his or her name, hourly rate and hours billed. Debevoise seeks allowance of payment for a total of 8,615.7 hours expended during the Final Interim Period, including 6,930.0 hours of attorneys' time and 1,685.7 hours of paraprofessionals' time.⁸ Attached hereto as Exhibit B is a computer printout which summarizes charges and expenses during the Final Interim Period.⁹

22. Debevoise also requests final allowance of compensation of \$30,772,411.85 (the "**Final Allowance**") for the Total Compensation Period, representing \$30,212,031.32¹⁰ as compensation for professional services rendered to the Debtors and \$560,380.53 as

⁷ This amount reflects a voluntary fee reduction of \$43,812.20 already deducted from the compensation sought in the monthly fee statements for February and March 2007.

⁸ These amounts include the hours applicable to the voluntary fee reductions.

⁹ Detailed time and expense records are not being filed but are being provided to the Debtors, the Office of the United States Trustee and the Official Committee of Unsecured Creditors. Parties in interest required to be served with monthly fee statements pursuant to the Interim Compensation Order have previously received such records. Copies of these records will be made available to the Court and other parties in interest upon request. The Office of the United States Trustee has been conferred with regarding this procedure.

¹⁰ This amount reflects a voluntary fee reduction of \$382,434.60 deducted from the compensation sought in the monthly fee statements for October, November and December, 2006 and January, February and March 2007.

reimbursement for actual and necessary expenses incurred by Debevoise in connection with the rendition of such services during the Total Compensation Period.

23. Attached hereto as Exhibit C are a summary of hours, fees and costs by project for the Total Compensation Period and, for each project category for the Total Compensation Period, a computer printout showing the total hours billed, the composite hourly billing rate and, for each professional charging time to the project category, his or her name, hourly rate and hours billed. Debevoise seeks allowance of payment for a total of 64,434.9 hours expended during the Total Compensation Period, including 51,272.1 hours of attorneys' time and 13,162.8 hours of paraprofessionals' time.¹¹ Attached hereto as Exhibit D is a computer printout which summarizes charges and expenses during the Total Compensation Period.¹²

Summary of Services Rendered
During the Total Compensation Period

24. During the Total Compensation Period, Debevoise performed numerous professional services for the Debtors in connection with these Chapter 11 cases. In view of the submission of Debevoise's complete daily time records, this Application only summarizes Debevoise's principal activities during the Total Compensation Period segregated, to the extent practicable, by the project categories identified in Exhibit C:

25. During the Total Compensation Period, Debevoise devoted substantial time to matters relating to the financing of the Debtors' mainline and regional aircraft fleets, including:

¹¹ These amounts include the hours applicable to the voluntary fee reductions.

¹² Detailed time and expense records for the Total Compensation Period are not being filed. Parties in interest required to be served with monthly fee statements pursuant to the Interim Compensation Order have previously received such records. Copies of these records will be made available to the Court and other parties in interest upon request. The Office of the United States Trustee has been conferred with regarding this procedure.

(a) Responding to numerous inquiries from the Debtors and their other advisors with respect to the structure and terms of various aircraft leases and mortgages and related documentation;

(b) Assisting the Debtors and their other advisors in the negotiation and documentation of interim arrangements for the Debtors' continued use of, or long-term restructuring of the agreements governing, approximately 400 aircraft in the Debtors' mainline fleet and 160 aircraft in the Debtors' regional fleet, including the preparation of detailed written proposals and the review, analysis and negotiation of comments to such documents from lessors and lenders;

(c) Assisting in the negotiation, drafting and filing of Section 1110(b) stipulations and Section 1110(b) stipulation supplements for the majority of these aircraft, as well as certain lease extension documentation extending the terms of certain leases that were on the verge of expiring;

(d) Preparation of the definitive documentation for the restructured aircraft financings, including the preparation of a form restructuring agreement, participation agreement, trust agreement and lease agreement;

(e) Assisting the Debtors with issues involving aircraft finance arising in the negotiation of the Debtors' debtor in possession credit agreement;

(f) Advising the Debtors concerning the rejection or the return and surrender of approximately 140 mainline and regional aircraft and issues raised by lessors and lenders in connection therewith;

(g) Preparation of a term sheet for the refinancing of the 9.5% Senior Secured Notes Due 2008 and subsequently reviewing and preparing comments for the Debtors with respect to multiple drafts of the loan agreement, the indenture and other related documents for such refinancing and negotiating changes in the terms of such drafts with counsel to Merrill Lynch;

(h) Assisting the Debtors and their other advisors in negotiating, preparing and implementing a term sheet entered into with the Ad Hoc Committee covering 88 aircraft, including the preparation and negotiation of a detailed agreement supplementing the term sheet, the review and negotiation of proposals from the Ad Hoc Committee relating to transaction implementation, the preparation of documentation to implement the restructuring, numerous meetings with

advisors to the Ad Hoc Committee to discuss the proposed restructuring process, the review and negotiation of the Ad Hoc Committee's proposal for revised debt structures and the review and negotiation of a proposed stipulation to cover certain deficiency claim calculations with respect to 79 aircraft which were provided by the Ad Hoc Committee pursuant to the term sheet;

(i) Assisting the Debtors and their other advisors in the negotiation and preparation of a detailed term sheet with Export Development Corporation of Canada with respect to 97 aircraft in the Debtors' regional fleet;

(j) Advising the Debtors in connection with the application of payments to become due on Delta-owned enhanced equipment trust certificates ("EETCs") issued under various EETC financings, preparing and negotiating a stipulation regarding the same and preparing and filing a motion to obtain court approval of the same;

(k) Advising the Debtors with respect to various other aspects of their EETC transactions, including analysis of a proposed tender by junior certificate holders, rights of various certificate holders, liquidity providers and other parties, default provisions in the EETC Indentures, flow of funds, payment mechanics, prepayment rights and restrictions, restructuring of EETC transactions in bankruptcy and the requirements applicable to amendments of certain EETC documents;

(l) Advising the Debtors as to their obligations under March 2005 agreements with Boeing Inc. relating to the acquisition and sale of certain EETCs issued by the Debtors;

(m) Assisting in the negotiation and preparation of a restructuring term sheet among Delta, Comair and certain Boeing entities (the "**Boeing Term Sheet**") and in the implementation of the terms of the Boeing Term Sheet following court approval, including assisting Delta in arranging with Boeing and Citibank, as custodian, for the release to Delta of approximately \$113 million which had been held by Boeing as security for certain obligations of Delta;

(n) Reviewing and providing comments on documents prepared in connection with foreclosures against, and transfers of owner participant interests by, equity participants in numerous leveraged lease transactions and coordinating with the Debtors to close such foreclosures and transfers;

(o) Assisting the Debtors in the negotiation, preparation, and closing of the restructuring agreement with Bombardier, Inc., an aircraft manufacturer with interests in 34 aircrafts in the Debtors' regional fleet and other significant commercial relationships with the Debtors (the "**Bombardier Restructuring Agreement**");

(p) Assisting in the negotiation and preparation of a letter of intent between Delta and Bombardier (the "**Bombardier Letter of Intent**") for the purchase of 30 new aircraft and in the preparation of definitive documents related thereto;

(q) Assisting in the negotiation and preparation of a loss payment agreement relating to the aircraft with FAA registration number N431CA;

(r) Reviewing and negotiating proposed lease agreements for ten used Boeing Model 757-200ER aircraft owned by International Lease Finance Corporation and three used Boeing Model 757-200ER aircraft owned by PAI Aviation, Inc., including numerous conference calls with the Debtors and counsel to the Creditors' Committee and extensive negotiation sessions with the Debtors and lessors;

(s) Reviewing documents and answering questions concerning certain aircraft and equipment purchase agreements to which the Debtors are party;

(t) Monitoring developments with respect to aircraft matters in other pending airline bankruptcies; and

(u) Responding to numerous inquiries from lessors, debt holders and other parties in interest.

B. Case Administration

26. During the Total Compensation Period, Debevoise devoted significant time to matters relating to the efficient administration of aircraft matters in these cases, including:

(a) Meeting with the United States Trustee and responding to various inquiries;

(b) Conferring regularly with the advisors to the Creditors' Committee and responding to numerous requests for information from the Creditors' Committee;

(c) Providing daily and weekly updates to the Debtors regarding the status of aircraft financing proposals, motions and court hearings and other aircraft-related matters;

(d) Monitoring aircraft matters on the Debtors' bankruptcy docket; and

(e) In addition to the tracking database referenced above, maintaining and regularly updating a contact database and electronic case management system.

C. Motions and Court Hearings

27. During the Total Compensation period, Debevoise devoted substantial time and effort to the preparation and filing of numerous motions and the preparation for and attendance at court hearings, including:

(a) Preparing and filing multiple motions seeking approval of term sheets and authorizing agreements to restructure aircraft transactions;

(b) Preparing and filing motions seeking authority to reject or abandon approximately 66 mainline and regional aircraft, reviewing numerous objections filed to such motions, preparing and filing responses to such objections and negotiating the proposed forms of order with objecting parties in an effort to resolve objections in advance of the relevant court hearings;

(c) Preparing and filing multiple motions seeking authority to sell aircraft no longer used in the Debtors' fleet and aircraft purchase options no longer required by the Debtors' future fleet plans;

(d) Preparing and filing the Motion for Order Approving a Term Sheet and an Extension of Section 1110 Deadlines and Authorizing Agreements to Restructure Transactions Affecting Eighty-Nine Aircraft and Associated Engines, Equipment and Documents (the "**Ad Hoc Committee Term Sheet Motion**"), and subsequent thereto (i) reviewing the numerous objections filed by owner participants and engaging in discussions with the objecting parties in a successful effort to resolve these objections consensually, (ii) completing discovery concerning the objection of the Creditors' Committee to the Motion, (iii) preparing and filing pleadings responding to the Creditors' Committee's objection, (iv) negotiating the terms of a pre-trial order

and preparing for, and participating in, a pre-trial conference and (v) preparing for a multi-day hearing with respect thereto;

(e) Preparing and filing an objection to the Motion of the Official Committee of Unsecured Creditors of Delta Air Lines, Inc., *et al.* for Authority to Prosecute Certain Antitrust Claims on Behalf of the Debtors' Estates (the "**Antitrust Motion**"), reviewing the Creditors' Committee's response to the objections filed by the Debtors and the Ad Hoc Committee and preparing for a multi-day hearing with respect thereto;

(f) Participating in intensive settlement negotiations with the Ad Hoc Committee and the Creditors' Committee that resulted in the consensual resolution of all disputes concerning the Ad Hoc Committee Term Sheet Motion and the withdrawal of the Antitrust Motion;

(g) Preparing and filing a motion to approve the loss payment agreement relating to the aircraft with FAA registration number N431CA;

(h) Preparing and filing motions to approve the Boeing Term Sheet and certain related transactions;

(i) Preparing and filing a motion for approval of the Bombardier Restructuring Agreement and negotiating the resolution of various objections thereto in consultation with counsel for Bombardier, Inc. and the Creditors' Committee;

(j) Preparing and filing a motion to approve the Bombardier Letter of Intent and responding to discovery requests with respect thereto;

(k) With respect to the Motion and Memorandum of Law of the Bank of New York Trust Company, N.A., as Indenture Trustee for the 9.5% Senior Secured Notes, for Adequate Protection Pursuant to Section 363(e) of the Bankruptcy Code, (i) completing discovery, preparing and filing responsive pleadings and preparing for and participating in, a two-day hearing, (ii) negotiating and exchanging drafts of a proposed form of order with counsel for the Trustee and the Creditors' Committee, (iii) preparing and filing a proposed form of order and supporting memorandum of law, as well as a final form of order, with respect thereto and (iv) preparing for and participating in a telephonic conference with the Court;

(l) Preparing for and participating in a hearing regarding the Debtors' Motion to Modify Adequate Protection as to Alleged Cash Collateral of Fifth Third Bank;

(m) Preparing and filing various motions with respect to the lease of new aircraft:

(n) Assisting the Debtors in negotiating the terms of, and preparing and filing, the Debtors' Motion for Order Authorizing Debtors to Pay True-Up Interest to Boeing in Exchange for Boeing's Agreement to Release Funds from Blocked Account; and

(o) Responding to the Joint Motion of the Indenture Trustee and the MD-11 Holders to Compel Debtors to Comply with Bankruptcy Court Orders Dated November 29, 2005 and preparation for and attendance at a hearing with respect thereto.

D. Claims Administration

28. During the Total Compensation Period, Debevoise devoted significant time to matters relating to the efficient resolution and administration of aircraft claims in these cases, including:

(a) Preparing and filing the Joint Motion by the Debtors and the Official Committee of Unsecured Creditors for Entry of an Order Establishing Procedures for Certain Objections to Leveraged Lease Claims, reviewing and analyzing numerous objections thereto, preparing and filing a joint reply to such objections, negotiating modifications to the proposed order approving such motion with the objecting parties and attending the hearing at which such motion was approved;

(b) Engaging in extensive research and drafting for, and filing of, notices of litigation pursuant to the court-approved procedures for the resolution of tax indemnity claims and stipulated loss value claims, including review and analysis of hundreds of proofs of claim and related documentation, review of numerous objections to the notices of litigation, preparation of reply papers, attendance at a court conference relating thereto and frequent consultation with the Debtors and counsel to the Creditors' Committee regarding these matters;

(c) Advising the Debtors on the preparation and filing of objections to certain aircraft claims, including the preparation of omnibus objections to categories of aircraft claims and the review of

requests by claimants to withdraw the objections with respect to particular claims;

(d) In consultation with counsel to the Creditors' Committee, analyzing contracts in substantially all of the aircraft leveraged lease transactions with overlapping tax indemnity claims and stipulated loss value claims, reviewing numerous claims and claims transfers and extensive conflicts checks with respect thereto;

(e) Researching and preparing numerous objections to overlapping tax indemnity and stipulated loss value claims, analyzing the responses thereto including discovery requests, preparing and circulating informal discovery requests relating to the calculation of the tax indemnity claims, analyzing the calculations submitted by certain claimants and advising the Debtors on settlement proposals with respect to specific claims;

(f) Regularly coordinating with conflicts counsel;

(g) Analyzing certain other issues the Debtors believe will arise in connection with the liquidation of aircraft claims and advising the Debtors concerning strategies for the resolution of these issues; and

(h) Responding to inquiries from certain parties in interest and their counsel with respect to aircraft claims.

E. Tax Matters

29. During the Total Compensation Period, Debevoise counseled the Debtors with respect to a variety of tax matters relating to aircraft, including questions relating to claims under tax indemnity agreements, the tax provisions of new and restructured financings and the Civil Reserve Air Fleet program.

F. Airport Bonds.

30. During the Total Compensation Period, Debevoise devoted significant time to matters relating to the restructuring of Airport Bonds, including:

(a) Advising Delta with respect to the claims of holders of existing tax exempt bonds and the Kenton County Airport Board relating to the proposed structure and terms of new bonds and contractual arrangements relating to Cincinnati - Northern Kentucky

International Airport. Debevoise provided similar advice with respect to the 2001 Massachusetts Port Authority (“**Massport**”) Bonds guaranteed by Ambac and agreements relating to Terminal 5 at the City of Los Angeles International Airport. Debevoise's primary role involved advising Delta with respect to bond financing and tax law aspects;

(b) Responding to inquiries from the Debtors with respect to specific aspects of a proposed settlement agreement and terms of the new special facility bonds and related contractual arrangements, including drafts of the new trust indenture, facility lease, maintenance and operation agreement and other documents, and, at the Debtors’ request, participating in numerous telephone conferences with the Debtors, the Debtors’ bankruptcy counsel and counsel to the Kenton County Airport Board and the 1992 Bond Trustee in connection therewith; and

(c) In connection with a proposed settlement with Massport and Ambac, reviewing drafts of a new lease, a first amendment to the trust agreement, and escrow agreement, and other proposed documents relating to the Massport Bonds and participating in numerous telephone conferences related thereto.

G. Plan of Reorganization and Disclosure Statement

31. During the Total Compensation Period, Debevoise devoted substantial time and effort to the Debtors’ Plan of Reorganization and Disclosure Statement, including:

(a) Reviewing, and preparing comments on, the aircraft-related sections of multiple drafts of the Plan of Reorganization and discussions with multiple aircraft parties with respect to various aircraft-related sections of the Plan of Reorganization;

(b) Responding to various inquiries from the Debtors concerning the preparation of a Disclosure Statement, reviewing and providing comments on the aircraft-related sections of multiple drafts of the Disclosure Statement, reviewing and responding to both formal and informal objections to the Disclosure Statement and negotiating changes to the Disclosure Statement in response to such objections;

(c) Consulting with the Debtors and the Debtors’ bankruptcy counsel concerning appropriate procedures to be used to solicit consents to the Plan of Reorganization and reviewing, and preparing comments with respect to, multiple drafts of a motion to approve such procedures, reviewing and responding to both formal and informal objections to the

aircraft-related provisions of such procedures and negotiating changes to the procedures with such objecting parties;

(d) Preparing and negotiating stipulations temporarily allowing the claims of certain aircraft creditors for purposes of voting on the Plan of Reorganization; and

(e) Preparing the detailed schedules concerning aircraft leases and contracts to be attached to the Plan of Reorganization and preparing notices to be included in connection with the service of such schedules.

H. Exit Facility

32. During the Total Compensation Period, Debevoise consulted with the Debtors' bankruptcy counsel with respect to aircraft-related provisions in the Debtors' exit credit facility and assisted the Debtors in responding to due diligence requests from the lenders party thereto.

Value of Services

33. Section 330 of the Bankruptcy Code sets forth criteria for the determination of the reasonableness of the compensation sought thereunder, including (i) the time spent on providing the services, (ii) the rates charged for such services, (iii) whether the services were necessary to the administration of the Chapter 11 cases and beneficial for the estate at the time that they were rendered, (iv) whether the services were performed within a reasonable amount of time commensurate with the complexity, importance and nature of each particular problem, issue or task addressed and (v) the customary compensation charged by comparably skilled practitioners in cases other than cases under the Bankruptcy Code. Debevoise respectfully submits that the compensation it is seeking for the services that it rendered to the Debtors is reasonable under these criteria.

34. The professional services rendered by Debevoise required the expenditure of substantial time and effort by its attorneys and paraprofessionals, often to the exclusion of

services to other clients of the firm. In rendering services for which compensation and final allowance is sought, Debevoise's attorneys and paraprofessionals expended 6,930.0 and 1,685.7 hours, respectively, during the Final Interim Period and 51,272.1 and 13,162.8 hours, respectively, during the Total Compensation Period.

35. Debevoise has endeavored to represent the Debtors in the most expeditious and economical manner possible. Tasks have been assigned to attorneys, paralegals and secretaries at Debevoise so that work has been performed by those most familiar with the particular matter or task and, where attorney or paralegal involvement was required, by the lowest hourly rate professional appropriate for a particular matter.

36. Annexed hereto as Exhibits E and F are summaries of compensable time and fees for professionals and paraprofessional who have performed services in these Chapter 11 cases during the Final Interim Period and the Total Compensation Period. The hourly billing rates indicated thereon are blended rates based on Debevoise's normal hourly rates for work of this nature, and reflect routine increases during the Total Compensation Period. If these were not cases under the Bankruptcy Code, Debevoise would charge the Debtors and expect to receive on a current basis an amount at least equal to the amount requested herein for the professional services rendered.

37. Debevoise submits that its services have conferred substantial benefit on the Debtors and their estates and have furthered the Debtors' ultimate goals in these Chapter 11 cases. The time and effort required of Debevoise to oversee the administration of these Chapter 11 cases, as well as the variety and complexity of the legal issues that have arisen during the Final Interim Period, have been briefly summarized in this Application.

38. Accordingly, Debevoise respectfully submits that the reasonable value of the services rendered by Debevoise during the Final Interim Period is \$4,411,884.67 and the reasonable value of the services rendered by Debevoise during the Total Compensation Period is \$30,212,031.32.

Reimbursement of Expenses

39. Debevoise also requests allowance and approval of reimbursement of actual, necessary expenses incurred in connection with the professional services rendered during the Final Interim Period in the amount of \$69,569.65 and during the Total Compensation Period in the amount of \$560,380.53.

40. Debevoise submits that the expenses it has incurred for overtime charges are reimbursable under the Amended Guidelines for Fees and Disbursements for Professionals in the Southern District of New York Bankruptcy Cases adopted on April 19, 1995 (the “**Local Guidelines**”) and the United States Trustee Guidelines for Reviewing Applications for Compensation and Reimbursement of Expenses Filed under 11 U.S.C. § 330 issued on January 30, 1996 (the “**Trustee Guidelines**”). The time constraints frequently imposed by the circumstances of these cases have required Debevoise’s attorneys and other employees to devote substantial amounts of time during the evenings and on weekends to the performance of necessary legal services to the Debtors. These extraordinary services were necessary in order to meet deadlines, satisfy the demands of the administration of the Debtors’ estates and to prosecute crucial litigation. Consequently, Debevoise’s personnel have been required to incur overtime expenses in the discharge of certain of Debevoise’s professional responsibilities. Debevoise has made every effort to minimize these charges and these charges were incurred only where, in the judgment of Debevoise’s relevant professional, they

were necessary for the conduct of the case. The overtime charges reflected are for expenses actually paid and are billed at rates and in accordance with practices customarily employed by Debevoise and generally accepted by Debevoise's clients.

41. Moreover, consistent with Debevoise's policy, attorneys and other employees of Debevoise who worked outside of normal business hours were reimbursed for their reasonable meal costs and their cost for transportation home. Debevoise's regular practice is not to include components for those charges in overhead when establishing billing rates and to charge its clients for these and other out-of-pocket disbursements incurred during the regular course of the rendition of services.

42. Debevoise also submits that expenses incurred during ordinary business hours for library services and word processing are reimbursable under the Local Guidelines because such charges are not included in Debevoise's overhead for the purpose of setting its billing rates. Rather, Debevoise recognizes that different clients use such services in different amounts and bills each client accordingly.

43. Debevoise's charges for computer research, toll calls, postage, messenger services and overnight deliveries are based on its actual cost.

44. Charges for courier and messenger services have been minimized wherever possible. Such services were only used where less expensive means were impracticable.

45. For the purposes of this Application, Debevoise has reduced its ordinary duplicating charges to reflect its actual cost of \$.11 per page and its outgoing telecopy charges to reflect its actual cost of \$1.17 per page.

Request for Final Compensation

46. By this Application, Debevoise requests final allowance of \$30,772,411.85 for the Total Compensation Period, representing \$30,212,031.32 as compensation for professional services rendered and \$560,380.53 as reimbursement for actual and necessary expenses incurred by Debevoise. In accordance with Debevoise's prior monthly fee statements and interim fee applications in these Chapter 11 cases, Debevoise has received \$29,890,034.91 for fees and disbursements incurred from September 14, 2005 through and including March 31, 2007. The holdback, totaling \$882,376.94, comprised of professional fees and disbursements for the Final Interim Period, remains due and payable by the Debtors to Debevoise. Since the Commencement Date, Debevoise has voluntarily reduced fees in an aggregate amount of \$382,434.60

47. The detailed time records and fee applications describing the professional services rendered and the related expenses incurred throughout these Chapter 11 cases prior to the Final Interim Period have been previously filed with the Court and are incorporated herein by reference.

48. During the pendency of these Chapter 11 cases, an extraordinary amount of professional services were required to address various critical issues faced by the Debtors. Throughout the Total Compensation Period, Debevoise prepared and filed on the behalf of the Debtors numerous documents, including motions, briefs, and responsive pleadings addressing complex and urgent issues. Debevoise advised and assisted the Debtors while staffing these cases with a core group of professionals to ensure efficiency and minimize costs. Debevoise advised the Debtors in a cost-effective manner and assisted in achieving the result of

emergence from bankruptcy. Under the circumstances, its request for final approval of professional fees and reimbursement of expenses should be approved as requested.

Rule 2016 Statements

49. Except for the Retainer (and excess payment described in note 6) delivered by the Debtors prior to the Petition Date, Debevoise has received no payment for the services rendered in connection with these Chapter 11 cases, and has received no promise of payment for such services, other than in accordance with orders of this Court.

50. No previous allowance has been made to Debevoise for the services rendered and expenses incurred in connection with these cases, nor has Debevoise made any previous application for those services and expenses to this or any other Court, other than through the regular monthly fee statements and quarterly fee applications filed pursuant to the Interim Compensation Order.

51. No agreement or understanding exists between Debevoise and any other person for the sharing of compensation received or to be received for services rendered in, or in connection with, these Chapter 11 cases.

52. Upon information and belief, the source of all compensation promised to be paid to Debevoise by the Debtors is revenues from the Debtors' business operations.

Notice

Notice of this Application has been provided to (a) the Office of the United States Trustee; (b) counsel to the Creditors' Committee; and (c) those parties entitled to receive notice pursuant to this Court's Order Approving Notice, Case Management and Administrative Procedures, dated October 6, 2005. The Debtors submit such notice is

sufficient and that no other notice should be required, and asks this Court to approve such notice pursuant to Rules 2002(a)(2) and 2002(i) of the Bankruptcy Rules.

WHEREFORE, Debevoise respectfully requests that this Court enter an order (i) granting interim allowance of compensation for professional services rendered during the Final Interim Period in the amount of \$4,411,884.67 and reimbursement of actual, reasonable and necessary expenses incurred during the Final Interim Period in the amount of \$69,569.65, (ii) directing the Debtors to pay to Debevoise \$882,376.94, representing the 20% holdback of fees for professional services rendered during the Final Interim Period (iii) granting final allowance of compensation for professional services rendered during the Total Compensation Period in the amount of \$30,212,031.32 and reimbursement for actual and necessary expenses incurred during the Total Compensation in the amount of \$560,380.53 (which amounts include the fees and expenses requested for the Final Interim Period and holdback) and (iv) granting such other and further relief as this Court may deem just and proper.

Dated: New York, New York
June 25, 2007

DEBEVOISE & PLIMPTON LLP

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