

**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.,** : **05-17923 (ASH)**
: **Debtors.** : **(Jointly Administered)**
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**ORDER APPROVING AND IMPLEMENTING
FEE COMMITTEE AND FEE PROCEDURES PROTOCOL**

This Court having considered the appointment of a fee committee and certain additional fee procedures in accordance with the Fee Committee and Fee Procedures Protocol annexed hereto as Annex A (the “**Protocol**”) that has been proposed by the Debtors, the official committee of unsecured creditors appointed in these chapter 11 cases, and the United States Trustee for the Southern District of New York; and the Court having jurisdiction to authorize and direct the implementation of the Protocol and the procedures to be implemented thereby pursuant to 28 U.S.C. §§157 and 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 19, 1984 (Ward, Acting C.J.); and the approval of the Protocol being a core proceeding pursuant to 28 U.S.C. § 157(b); and venue being proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409; and the implementation of the Protocol being in the best interests of the Debtors and their estates and creditors; and the Court having reviewed the Protocol; and after due deliberation and sufficient cause appearing therefore, it is

ORDERED that the Protocol is hereby approved subject to the terms and conditions thereof.

Dated: August 15, 2006
White Plains, New York

/s/ Adlai S. Hardin, Jr.
HONORABLE ADLAI S. HARDIN, JR.
U.S. BANKRUPTCY JUDGE

ANNEX A

Delta Air Lines, Inc., et al. **Fee Committee and Fee Procedures Protocol**

Fee Committee

Delta Air Lines, Inc. (“**Delta**”), together with those of its subsidiaries that are debtors and debtors in possession in these chapter 11 cases (collectively, the “**Debtors**”),¹ the official committee of unsecured creditors appointed in these chapter 11 cases (the “**Creditors’ Committee**”), and the Office of the United States trustee for the Southern District of New York (the “**U.S. Trustee**”) agree a fee committee (the “**Fee Committee**”) is appropriate in these chapter 11 cases to assist the parties in the review and analysis of the interim and final fee applications submitted by professionals appointed by the Court in these chapter 11 cases (the “**Retained Professionals**”).² The primary mandate of the Fee Committee shall be to review interim and final fee applications for reasonableness of fees and out-of-pocket expenses and to ensure non-duplication of effort and compliance with the applicable provisions of title 11 of the United States Code (the “**Bankruptcy Code**”) and the applicable guidelines established by the Court and/or the U.S. Trustee. In that regard, the Fee Committee shall be authorized, but not obligated, to develop billing guidelines and practices, provided, however, that such guidelines and practices shall be consistent with the Bankruptcy Code and the applicable guidelines established by the Court and/or the U.S. Trustee. Such guidelines and practices may include a requirement that the Retained Professionals prepare prospective quarterly budgets.

The formation and operation of the Fee Committee as described below shall satisfy the obligations of the Debtors and the Creditors’ Committee to review professional fees in these cases. Nothing contained herein, however, shall affect the right of any party in interest to object or otherwise respond to any monthly statement or interim or final fee application.

The procedures described herein are supplementary to the procedures and requirements established in the Court’s October 6, 2005 Order Pursuant to Sections 105(a) and 331 of the Bankruptcy Code and Bankruptcy Rule 2016 to Establish Procedures for Interim Compensation and Reimbursement of Expenses of Professionals (the “**Fee**

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.

² For the purposes of the Fee Committee, Retained Professionals shall not include the ordinary course professionals retained pursuant to the Court’s September 16, 2005 Order Pursuant to Sections 105(a), 327(e), 328 and 330 of the Bankruptcy Code and Bankruptcy Rule 2014(a) Authorizing the Debtors to Employ Ordinary Course Professionals.

Order”). In the event of a conflict between the provisions of the procedures and requirements described herein and those in the Fee Order, the Fee Committee Order (as defined below) shall control. The Fee Committee may, upon application to the Court, seek modifications to this protocol to assist the Fee Committee in discharging its duties.

All capitalized terms not defined herein shall have the meaning ascribed to them in the Fee Order.

Composition of Committee

The Fee Committee will consist of up to three representatives of each of the Debtors, the Creditors’ Committee, and the U.S. Trustee. Each constituency (*i.e.*, the Debtors, the Creditors’ Committee, and the U.S. Trustee) will have one vote on all Fee Committee matters, regardless of the actual number of representatives present. The Fee Committee will operate by majority vote (except as to the selection and retention of a professional fee analyst and/or counsel, as described below).

Within 15 calendar days of entry of an Order approving the establishment of the Fee Committee and these procedures (the “**Fee Committee Order**”), the Debtors’ attorneys will provide each member of the Fee Committee (and in the case of the Creditors’ Committee’s members of the Fee Committee, its counsel) with: (i) a list of all appointees to the Fee Committee, including their contact information; (ii) a list of all designated contact persons for each of the Retained Professionals, including their contact information; (iii) a copy of each Retained Professional’s retention application; and (iv) any outstanding interim fee applications filed by each Retained Professional, as applicable.

In the event a member of the Fee Committee resigns, the constituent group represented by that resigning member may designate a successor member. The Court may alter the membership of the Fee Committee at any time.

Compensation of Committee Members

Members of the Fee Committee will receive no compensation for their service on the Fee Committee or time expended on Fee Committee matters. All members of the Fee Committee are entitled to seek reimbursement for reasonable, documented out-of-pocket costs and expenses from the estates.

Fee Applications

From and after the entry of the Fee Committee Order, each Retained Professional shall serve its fee applications upon each member of the Fee Committee (and in the case of the Creditors’ Committee’s members of the Fee Committee, its counsel) in accordance with the timing provisions of the Fee Order. Additionally, each Retained Professional shall provide courtesy copies of its respective fee applications to each member of the Fee Committee in such format (electronic, or otherwise) as reasonably requested by such members.

Fee Disputes

The Fee Committee may contact the designee of any Retained Professional with respect to concerns it may have with respect to any fee application. The Fee Committee, by majority vote in accordance with the procedures set forth above, may distribute a confidential written statement to that Retained Professional describing any concern the Fee Committee may have with the fees or charges set forth in such Retained Professional's fee application ("**Fee Committee Statement**"). The Fee Committee and the Retained Professional served with such Fee Committee Statement shall endeavor to reach a mutually acceptable resolution of the issues raised by the Fee Committee. The Debtors' representative to the Fee Committee shall keep the Debtors apprised of any disputes and resolutions thereof to assure compliance with the provisions of the Fee Order. Pending such resolution, the Debtors shall compensate such Retained Professional only for any amount otherwise due and payable that is not the subject of the Fee Committee Statement. In the event that the Fee Committee and the Retained Professional cannot reach a resolution with respect to the issues raised by the Fee Committee Statement within a reasonable period of time (which shall not exceed 45 days, unless the relevant Retained Professional agrees to a longer period), such disputed portion of the fee application may be submitted by the Retained Professional to the Court for resolution. The timing and effect with respect to responses to any Fee Committee Statement shall be governed by the procedures set forth in the Fee Order for objections.

If a disputed fee matter arising out of or relating to fees and/or expenses of any Retained Professional is filed with the Court (a "**Fee Dispute**"), the Fee Committee, by majority vote, may file with the Court the previously issued Fee Committee Statement with respect to the Fee Dispute. Upon the request of the Court, the Fee Committee shall also nominate one of its members to appear and be heard with respect to (a) any Fee Committee Statement issued in relation to the Fee Dispute, (b) any objection to such Fee Committee Statement, and (c) the fee application(s) implicated thereby.

Subsequent Retentions

Any professional retained by order of the Court subsequent to the date hereof shall be bound by the Fee Committee Order and the Fee Order and shall immediately contact the Fee Committee to establish the submission of fee applications.

Subject to further order of the Court, the Fee Committee may retain (i) a professional fee analyst and (ii) to the extent the Fee Committee deems necessary, counsel to assist the Fee Committee in the effective discharge of the duties described herein. The U.S. Trustee representative shall in no way participate and shall abstain from voting with respect to the selection and retention of a professional fee analyst and/or counsel for the Fee Committee. As such, the retention of a professional fee analyst and/or counsel shall require the unanimous vote of the representatives of Delta and the Creditors' Committee. The Debtors, the Creditors' Committee, and the U.S. Trustee each reserve, however, the

right to review and, if necessary, object to the fees and/or expenses of any professional fee analyst and/or counsel retained by the Fee Committee.

Confidentiality

The deliberations among members of the Fee Committee shall be confidential for all purposes; *provided, however*, that any reports produced by a professional fee analyst retained by the Fee Committee shall be available for use (i) by the member of the Fee Committee nominated to appear and be heard with respect to any Fee Dispute, as outlined above in the second paragraph under the heading, “Fee Disputes,” and (ii) the Debtors, the Creditors’ Committee, and/or the U.S. Trustee in connection with any objection to the fee application of a Retained Professional.

Committee Exculpation and Indemnification

The Fee Committee and, each member thereof are hereby appointed officers of the Court with respect to the performance of their duties on the Fee Committee and provided the maximum immunity permitted by law from civil actions for all acts taken or omitted in the performance of their duties and powers on the Fee Committee. No person or entity shall commence an action against the Fee Committee or any member thereof in connection with Fee Committee matters except in the Court.

The Fee Committee and each member thereof are hereby indemnified by the Debtors’ estates for losses or costs of defense incurred as a result of acts taken or omitted, in each case in good faith, in the performance of their duties as a member of the Fee Committee.