

Hearing Date & Time: May 17, 2016 at 11:00 a.m. (Eastern Time)
Objection Deadline: May 10, 2016 at 4:00 p.m. (Eastern Time)

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*Attorneys for the Debtors
and Debtors in Possession*

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

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

-----X

**NOTICE OF HEARING ON DEBTORS' THIRD OMNIBUS MOTION PURSUANT TO
11 U.S.C. §§ 363(b), 365, 554 & 1110 AND FED. R. BANKR. P. 6006 & 6007 FOR AN
ORDER AUTHORIZING DEBTORS TO (I) TRANSFER TITLE TO AND SURRENDER
CERTAIN OWNED AIRCRAFT AND (II) REJECT CERTAIN ENGINE LEASES**

PLEASE TAKE NOTICE that a hearing will be held at **11:00 a.m. (Eastern
Time) on May 17, 2016** before the Honorable Sean H. Lane, United States Bankruptcy Judge,
United States Bankruptcy Court for the Southern District of New York, One Bowling Green,

1. The Debtors in these chapter 11 cases are the following entities: Republic Airways Holdings Inc.; Republic Airways Services, Inc.; Republic Airline Inc.; Shuttle America Corporation; Midwest Air Group, Inc.; Midwest Airlines, Inc.; and Skyway Airlines, Inc. The Debtors' employer tax identification numbers and addresses are set forth in their respective chapter 11 petitions.

New York, New York 10004 to consider *Debtors' Third Omnibus Motion Pursuant to 11 U.S.C. §§ 363(b), 365, 554 & 1110 and Fed. R. Bankr. P. 6006 & 6007 For an Order Authorizing Debtors to (I) Transfer Title to and Surrender Certain Owned Aircraft and (II) Reject Certain Engine Leases* (the "Motion").

PLEASE TAKE FURTHER NOTICE that any responses or objections (the "Objections") to the Motion shall be in writing, shall conform to the Federal Rules of Bankruptcy Procedure and the Local Bankruptcy Rules for the Southern District of New York, shall be filed with the Bankruptcy Court (a) by attorneys practicing in the Bankruptcy Court, including attorneys admitted pro hac vice, electronically in accordance with General Order M-399 (which can be found at www.nysb.uscourts.gov), and (b) by all other parties in interest, on a CD-ROM, in text-searchable portable document format (PDF) (with a hard copy delivered directly to Chambers), in accordance with the customary practices of the Bankruptcy Court and General Order M-399, to the extent applicable, and shall be served in accordance with General Order M-399 on (i) the attorneys for the Debtors, Zirinsky Law Partners PLLC, 375 Park Avenue, Suite 2607, New York, New York 10152 (Attn: Bruce R. Zirinsky, Esq. (bzirinsky@zirinskylaw.com), Sharon J. Richardson, Esq. (srichardson@zirinskylaw.com), and Gary D. Ticoll, Esq. (gticoll@zirinskylaw.com)) and Hughes Hubbard & Reed LLP, One Battery Park Plaza, New York, New York 10004 (Attn: Christopher K. Kiplok, Esq. (chris.kiplok@hugheshubbard.com) and Gabrielle Glemann, Esq. (gabrielle.glemann@hugheshubbard.com)), (ii) the Office of the United States Trustee, 201 Varick Street, Suite 1006, New York, New York 10014 (Attn: Brian Masumoto, Esq.), (iii) proposed counsel to the Official Committee of Unsecured Creditors, Morrison & Foerster LLP, 250 West 55th Street, New York, New York 10019 (Attn: Brett H. Miller, Esq.

(bmiller@mofocom), Todd M. Goren, Esq. (tgoren@mofocom), and Erica J. Richards, Esq. (erichards@mofocom)), (iv) the Ad Hoc Committee of Equity Holders of Republic Airways Holdings Inc., Schulte Roth & Zabel LLP, 919 Third Avenue, New York, New York 10022 (Attn: Adam C. Harris, Esq. (adam.harris@srz.com), Lawrence V. Gelber, Esq. (lawrence.gelber@srz.com), and David M. Hillman, Esq. (david.hillman@srz.com)), and (v) all entities that requested notice in these chapter 11 cases under Fed. R. Bankr. P. 2002, so as to be so filed and received no later than **May 10, 2016 at 4:00 p.m. (Eastern Time)**.

PLEASE TAKE FURTHER NOTICE that if no Objections are timely filed and served, the relief requested in the Motion may be granted with no further notice or opportunity to be heard.

Dated: New York, New York
April 26, 2016

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Hearing Date & Time: May 17, 2016 at 11:00 a.m. (Eastern Time)
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*Attorneys for the Debtors
and Debtors in Possession*

This motion seeks to reject certain unexpired leases and transfer title to or abandon certain equipment. If you have received this motion and are a contract counterparty to an agreement with the Debtors, please review Annexes 1 and 2 to the proposed Order to determine if this motion affects your agreement and your rights thereunder.

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

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In re : **Chapter 11 Case No.**

REPUBLIC AIRWAYS HOLDINGS INC., et al., : **16-10429 (SHL)**

Debtors.¹ : **(Jointly Administered)**

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**DEBTORS' THIRD OMNIBUS MOTION PURSUANT TO 11 U.S.C.
§§ 363(b), 365, 554 & 1110 AND FED. R. BANKR. P. 6006 & 6007 FOR AN ORDER
AUTHORIZING DEBTORS TO (I) TRANSFER TITLE TO AND SURRENDER
CERTAIN OWNED AIRCRAFT AND (II) REJECT CERTAIN ENGINE LEASES**

1. The Debtors in these chapter 11 cases are the following entities: Republic Airways Holdings Inc.; Republic Airways Services, Inc.; Republic Airline Inc.; Shuttle America Corporation; Midwest Air Group, Inc.; Midwest Airlines, Inc.; and Skyway Airlines, Inc. The Debtors' employer tax identification numbers and addresses are set forth in their respective chapter 11 petitions.

TO THE HONORABLE SEAN H. LANE
UNITED STATES BANKRUPTCY JUDGE:

Republic Airways Holdings Inc. (“RAH”), and certain of its wholly-owned direct and indirect subsidiaries, as debtors and debtors in possession in the above-captioned chapter 11 cases (collectively with RAH, “Republic” or the “Debtors”), respectfully represent:

Background

1. On February 25, 2016 (the “Commencement Date”) each of the Debtors filed with this Court a voluntary petition for relief under chapter 11 of title 11, United States Code (the “Bankruptcy Code”). The Debtors are authorized to continue to operate their business and manage their properties as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. No trustee or examiner has been appointed in these cases.

2. On March 4, 2016, the United States Trustee for the Southern District of New York appointed the Official Committee of Unsecured Creditors.

3. Pursuant to rule 1015(b) of the Federal Rules of Bankruptcy Procedure, the Debtors’ chapter 11 cases have been consolidated for procedural purposes only and are being jointly administered.

4. Detailed information regarding Republic’s business, capital structure, and the circumstances leading to the commencement of these chapter 11 cases is set forth in the Declaration of Bryan K. Bedford Pursuant to Local Bankruptcy Rule 1007-2 (the “Bedford Decl.,” ECF No. 4), filed with the Court on the Commencement Date.

Jurisdiction

5. This Court has jurisdiction to consider this matter pursuant to 28 U.S.C. §§ 157 and 1334. This is a core proceeding pursuant to 28 U.S.C. § 157(b). Venue is proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409.

Relief Requested

6. As of the Commencement Date, Republic owned or leased a fleet of approximately 300 aircraft, many of which are subject either to secured debt or lease financing arrangements. During the first sixty days of this case, Republic and its financial professionals evaluated its fleet needs and negotiated with lenders and lessors to seek to obtain restructured agreements that would better match the current market and the needs of Republic's codeshare partners. Republic also determined that certain aircraft and spare engines are not necessary for its ongoing operations and seeks to surrender and return such aircraft and equipment.

7. By this motion, Republic seeks entry of an order authorizing it (i) pursuant to section 363(b) of the Bankruptcy Code and rule 2002 of the Federal Rules of Bankruptcy Procedure, to surrender, return, and transfer title to the two ERJ-145 aircraft (including engines and other related equipment) specified on Annex 1 to the proposed Order owned by Republic (collectively, together with all related Aircraft Records (as defined herein) and all related "equipment," as described in section 1110(a)(3) of the Bankruptcy Code, the "Owned Aircraft") to the applicable parties listed in Annex 1 hereto (the "Owned Aircraft Parties"), effective on April 25, 2016; (ii) pursuant to section 554(a) of the Bankruptcy Code and rule 6007 of the Federal Rules of Bankruptcy Procedure, to abandon the Owned Aircraft, effective on April 25, 2016; and (iii) pursuant to section 365 of the Bankruptcy Code and rule 6006 of the Federal Rules of Bankruptcy Procedure to reject the leases (the "Leases") with RRPF Engine Leasing (US) LLC ("Rolls Royce," and collectively with the Owned Aircraft Parties, the "Aircraft Financiers") for two Rolls Royce AE3007 aircraft engines (the "Rolls Royce Engines," and together with the Owned Aircraft, the "Equipment"), specified on Annex 2 to the proposed Order, effective on April 25, 2016.

Basis for Relief

I. The Surrender, Return, and Transfer of Title to the Owned Aircraft is in the Best Interests of Republic's Estates.

8. Section 363(b)(1) of the Bankruptcy Code provides that “[t]he trustee, after notice and a hearing, may use, sell, or lease, other than in the ordinary course of business, property of the estate.” 11 U.S.C. § 363(b)(1). Whether a transfer of assets pursuant to section 363(b) of the Bankruptcy Code should be approved in a particular case is a matter left to the Court’s discretion, giving due consideration to the sound business judgment of the debtor. *See Comm. of Equity Sec. Holders v. Lionel Corp. (In re Lionel Corp.)*, 722 F.2d 1063, 1071 (2d Cir. 1983); *In re Thompson McKinnon Secs., Inc.*, 120 B.R. 301, 308 (Bankr. S.D.N.Y. 1990).

9. Each of the Owned Aircraft is subject to liens of the applicable Owned Aircraft Parties to secure Republic’s obligations under certain loan agreements. Republic has determined to surrender, return, and transfer title to the Owned Aircraft to the applicable Owned Aircraft Parties—rather than continue to make loan payments—because it has no use for the Owned Aircraft in its long term business plan, pursuant to which it will retire its fleet of smaller regional aircraft, including its ERJ-145s, and streamline its operations by operating a single aircraft type (E170/175). (Bedford Decl. at ¶¶ 28-29, 50.) The Owned Aircraft are not part of Republic’s long-term fleet plan and are not required under any of Republic’s agreements with its code share partners.

10. Republic can no longer afford to bear the burden of unproductive assets, and is working to grow back its business by, among other things, divesting itself of underutilized or unprofitable aircraft equipment, such as the Owned Aircraft. (Bedford Decl. ¶¶ 49-50.) Accordingly, surrendering, returning, and transferring title to the Owned Aircraft to the

applicable Owned Aircraft Parties will divest Republic of burdensome obligations and inure to the benefit of Republic, its creditors, and all parties in interest.

**II. Abandonment of the Owned Aircraft
Is in the Best Interests of Republic's Estates.**

11. Section 554 of the Bankruptcy Code provides:

After notice and a hearing, the trustee may abandon any property of the estate that is burdensome to the estate or that is of inconsequential value and benefit to the estate.

Section 554 thus requires two showings. First, the property to be abandoned must be property of the estate. 11 U.S.C. §§ 541 and 554. Second, the property to be abandoned must be burdensome or of inconsequential value or benefit to the debtor's estate. *In re Grossinger's Assocs.*, 184 B.R. 429, 432 (Bankr. S.D.N.Y. 1995). Moreover, the debtor-in-possession is afforded significant discretion in determining the value and benefits of particular property for the purposes of the decision to abandon it. *In re Interpictures Inc.*, 168 B.R. 526, 535 (Bankr. E.D.N.Y. 1994) ("abandonment is in the discretion of the trustee, bounded only by that of the court"). "Courts defer to the trustee's judgment and place the burden on the party opposing the abandonment to prove a benefit to the estate and an abuse of the trustee's discretion." *In re Slack*, 290 B.R. 282, 284 (Bankr. N.J. 2003).

12. The appropriate test in this case is whether the Owned Aircraft are burdensome or of inconsequential value to Republic's estates. In this case, because the Owned Aircraft are not required under Republic's business plan and Republic has no use for the ERJ-145s, the Owned Aircraft is burdensome to Republic's estates. This assessment reflects a business judgment made in good faith by Republic. Abandonment of the Owned Aircraft is, therefore, in the best interests of Republic's estates and a proper exercise of Republic's sound business judgment. Similar relief has been granted in this case and in other airline cases under

similar circumstances. *See, e.g.*, Order Pursuant to 11 U.S.C. §§ 105(a), 363(b), 365, 554 & 1110 and Fed. R. Bankr. P. 6006 & 6007 Authorizing Debtors to Transfer Title to and Abandon Certain Owned Aircraft and Engines and Reject Related Aircraft Lease, ECF No. 215.

III. Rejection of the Leases Is Supported by Republic's Business Judgment and Is in the Best Interests Of Republic's Estates.

13. Section 365(a) of the Bankruptcy Code provides that a debtor in possession "subject to the court's approval, may assume or reject any . . . unexpired lease of the debtor." 11 U.S.C. §365(a). The standard applied to determine whether the rejection of an unexpired lease should be approved is the business judgment standard. *See In re Penn Traffic Co.*, 524 F.3d 373, 383 (2d Cir. 2008); *In re Old Carco LLC*, 406 B.R. 180, 188 (Bankr. S.D.N.Y. 2009); *see also In re Orion Pictures Corp.*, 4 F.3d 1095, 1098-99 (2d Cir. 1993); *In re Minges*, 602 F.2d 38, 42 (2d Cir. 1979); *NLRB v. Bildisco & Bildisco*, 465 U.S. 513, 513 (1984); *In re Roman Crest Fruit, Inc.*, 35 B.R. 939, 949 (S.D.N.Y. 1983).

14. Under the business judgment standard, "[a] debtor's decision to reject . . . must be summarily affirmed unless it is the product of bad faith, or whim or caprice." *In re Trans World Airlines, Inc.*, 261 B.R. 103, 121 (Bankr. D. Del. 2001) (quotation omitted); *see also In re Helm*, 335 B.R. 528, 538 (Bankr. S.D.N.Y. 2006) ("The decision to assume or reject an executory contract is within the sound business judgment of the debtor-in-possession . . ."). It requires only that rejection of the executory contract will benefit the debtor's estate. *See In re Balco Equities, Inc.*, 323 B.R. 85, 99 (Bankr. S.D.N.Y. 2005) ("In determining whether the debtor has employed reasonable business discretion, the court for the most part must only determine that the rejection will likely benefit the estate.") (citation omitted); *see also In re Genco Shipping & Trading Ltd.*, 509 B.R. 455, 463 (Bankr. S.D.N.Y. 2014) ("A court will

generally not second-guess a debtor's business judgment regarding whether the assumption or rejection of a contract will benefit the debtor's estates.").

15. Rejecting the Leases is a sound exercise of Republic's business judgment that will benefit Republic's estates and creditors. The Rolls Royce Engines service Republic's ERJ140/145 fleet. Republic is in the process of retiring its ERJ140/145 fleet as part of its long term business plan to streamline its operations. (Bedford Decl. at ¶¶ 28-29.) Republic and Delta have reached a settlement under which Republic will wind down flying of this aircraft type over the next few months.² Republic will not need the Rolls Royce Engines during this wind-down period. Accordingly, the Leases provide no foreseeable economic benefit to Republic's estates and rejecting the Leases is a sound exercise of Republic's business judgment.

Retrieval of Aircraft and Engines

16. Republic has provided information on the annexes attached to the Order that will assist the Aircraft Financiers in retrieving the Equipment. The Aircraft Financiers must remove such Equipment from the location designated in the applicable exhibit.

17. To preserve the value of the Equipment before the relevant Aircraft Financier takes possession, Republic will maintain its current insurance coverage and continue the existing storage maintenance program pursuant to the Debtors' FAA-approved maintenance program, if applicable, until the "Aircraft Termination Date." For purposes of this Motion, the Aircraft Termination Date shall be the earlier of: (i) the fifteenth (15th) day after the date of entry of the Order and (ii) the date on which the relevant Aircraft Financier takes possession of such Equipment. Thereafter, Republic shall cease insuring and maintaining the Equipment.

2. See Debtors' Motion Pursuant to Sections 363(b), 363(m) and 365(a) of the Bankruptcy Code and Bankruptcy Rules 6004, 6004 and 9019 for Authorization to (I) Assume Codeshare and Related Agreements, As Amended, with Delta Air Lines, Inc., (II) Lease Certain Property of the Estate and (III) Settle Claims Between Delta Air Lines, Inc. and the Debtors ¶ 30 [ECF No. 244].

18. If the relevant Aircraft Financiers do not retrieve the Equipment by the Aircraft Termination Date, such Aircraft Financier shall be responsible for the costs of storing such Equipment and other attendant costs as determined by Republic, including the costs of insuring the relevant Equipment. If an Aircraft Financier does not remove its Equipment or make timely payments for storage, Republic may file a motion to compel removal of the Equipment and payment of storage and other attendant costs

Filing Proofs of Claim

19. Republic proposes that any claims arising out of the rejection of the Leases effected pursuant to this motion be filed in accordance with any order pursuant to rule 3003(c) of the Federal Rules of Bankruptcy Procedure establishing a deadline by which prepetition general unsecured claims must be filed. Any claim not timely filed will be irrevocably barred.

Records and Documents

20. Upon entry of the proposed Order, or as soon as reasonably practicable thereafter, Republic shall make available to the Aircraft Financiers records and documents in its possession relating to the Equipment (collectively, "Aircraft Records").

Reservation of Rights

21. Republic submits that nothing set forth herein shall be with prejudice to the rights, if any, of (i) any Aircraft Financier, as applicable, to assert a claim of any priority for damages for failure to comply or delay by Republic to satisfy all surrender, return, or turnover provisions with respect to any portion of the Equipment or for improper or inadequate record keeping with respect to the Aircraft Records, or (ii) Republic or any other party to object to any such claims or their asserted priority; provided, however, that to the extent Republic and the applicable Aircraft Financier agree in writing that the Equipment shall be returned or surrendered

in a manner other than that specified in the Order, with respect to specific matters delineated in such agreement, the applicable Aircraft Financier shall not have any claim for damages relating to Republic's compliance with the such agreement in lieu of the requirements set forth in the applicable security agreement (but all other claims and priority rights (and defenses thereto) shall be fully preserved).

Republic's Cooperation In Making Related FAA Filings

22. Upon written request by an Aircraft Financier, Republic will cooperate reasonably with such Aircraft Financier with respect to the execution of, or provision of, information required for a lease termination document or other documentation, as appropriate, to be filed with the FAA in connection with such Equipment. However, the requesting Aircraft Financier shall be solely responsible for all costs associated with such documentation and for the filing thereof with the FAA.

**Republic's Further Actions To Implement
Approved Transfers, Abandonments and Rejections**

23. Republic submits that the foregoing is reasonable, in the best interests of the estates and all economic parties in interest, and should be approved in all respects. To implement the foregoing, Republic seeks authorization to execute and deliver all instruments and documents and take any additional actions as are necessary or appropriate.

Notice

24. Notice of this motion is being provided in accordance with the Court's Case Management Order, dated March 2, 2016 (ECF No. 70), and upon filing with the Court, the application will be available for inspection on Republic's Case Website (located at <https://cases.primeclerk.com/RJET>). Republic submits that no other or further notice need be given.

25. No previous request for the relief sought herein has been made by Republic to this or any other Court.

WHEREFORE Republic respectfully requests entry of an order substantially in the form annexed hereto granting the relief requested herein and such other and further relief as is just.

Dated: New York, New York
April 26, 2016

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

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

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**ORDER GRANTING DEBTORS' THIRD OMNIBUS MOTION PURSUANT
TO 11 U.S.C. §§ 363(b), 365, 554 & 1110 AND FED. R. BANKR. P. 6006 & 6007
AUTHORIZING DEBTORS TO (I) TRANSFER TITLE TO AND SURRENDER
CERTAIN OWNED AIRCRAFT AND (II) REJECT CERTAIN ENGINE LEASES**

A hearing having been held on May 17, 2016 (the "Hearing"), to consider the motion, dated April 26, 2016 (the "Motion"),² of Republic Airways Holdings Inc. ("RAH"), and certain of its wholly-owned direct and indirect subsidiaries, as debtors and debtors in possession in the above-captioned chapter 11 cases (collectively with RAH, "Republic" or the "Debtors"), pursuant to sections 363(b), 365, 554 and 1110 of the Bankruptcy Code and rules 6006 and 6007 of the Federal Rules of Bankruptcy Procedure, for entry of an order authorizing Debtors to (i) transfer title to and abandon certain owned aircraft and (ii) reject certain leases, as more fully described in the Motion; and the Court having jurisdiction to consider the Motion and the relief requested therein in accordance with 28 U.S.C. §§ 157 and 1334 and Amended Standing Order of Reference M-431, dated January 31, 2012 (Preska, C.J.); and consideration of the Motion and the relief requested therein 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 due and sufficient

1. The Debtors in these chapter 11 cases are the following entities: Republic Airways Holdings Inc.; Republic Airways Services, Inc.; Republic Airline Inc.; Shuttle America Corporation; Midwest Air Group, Inc.; Midwest Airlines, Inc.; and Skyway Airlines, Inc. The Debtors' employer tax identification numbers and addresses are set forth in their respective chapter 11 petitions.

2. Capitalized terms not otherwise defined herein have the meanings ascribed to them in the Motion.

notice of the Motion having been provided in accordance with the Court's Case Management Order dated March 2, 2016 (ECF No. 70), and it appearing that no other or further notice need be given; and upon the Motion, the papers in support thereof and the responses thereto, if any, the record of the Hearing, and all of the proceedings had before the Court; and the Court having found and determined that the Motion satisfies the requirements of Fed. R. Bankr. P. 6006 and 6007, and that the relief sought in the Motion is an exercise of sound business judgment, and is in the best interests of Republic, its estates, creditors, and all parties in interest, and that the legal and factual bases set forth in the Motion establish just cause for the relief granted herein; and after due deliberation and sufficient cause appearing therefor, it is

ORDERED that the Motion is hereby granted as provided herein; and it is further

ORDERED that, pursuant to section 363(b) of the Bankruptcy Code, Republic is authorized to transfer title to the Owned Aircraft to the applicable Owned Aircraft Parties as of April 25, 2016 without further order of the Court; and it is further

ORDERED that, pursuant to section 554(a) of the Bankruptcy Code and Fed. R. Bankr. P. 6007, Republic's abandonment of the Owned Aircraft as of April 25, 2016 is approved; and it is further

ORDERED that, pursuant to section 365 of the Bankruptcy Code and Fed. R. Bankr. P. 6006, Republic's rejection of each Lease as of April 25, 2016 is approved; and it is further

ORDERED that Republic will as soon as reasonably practicable after date of entry of this Order make available all "records and documents" (as defined in section 1110(a)(3)(B) of the Bankruptcy Code) in its possession related to the Equipment (collectively, the "Aircraft Records") to the applicable Aircraft Financier; and it is further

ORDERED that Republic shall surrender and return the Equipment to the applicable Aircraft Financier at the locations provided in Annexes 1 and 2 hereto and in accordance with the return and surrender procedures set forth in this Order, provided that Republic and the applicable Aircraft Financier may agree in writing that the Equipment will be returned to or surrendered at another location(s) or according to other return or surrender procedures; and it is further

ORDERED that if any of the Equipment happens to be non-serviceable, Republic is under no obligation to repair such Equipment to make it serviceable; and it is further

ORDERED that this Order is without prejudice to the rights, if any, of (i) any Aircraft Financier to assert a claim of any priority for damages for failure to comply or delay by the Debtors to satisfy all surrender, return, or turnover provisions with respect to any portion of the Equipment or for improper or inadequate record keeping with respect to the Aircraft Records, under the applicable security agreement or other operative documents or under the Bankruptcy Code (including, without limitation, section 1110(c)), including entitlement to debt service or damages, or an administrative expense claim with respect to debt service or damages, if any, or a claim for other contractual payments, including any indemnities, fees and expenses, if any, or (ii) the Debtors or any other party to object to any such claims or their asserted priority; provided, however, that to the extent Republic and an Aircraft Financier agree in writing that the Equipment shall be returned or surrendered in a manner other than that specified in the Order, with respect to specific matters delineated in such agreement, the Aircraft Financier shall not have any claim for damages relating to Republic's compliance with such agreement in lieu of the requirements set forth in the applicable security agreement (but all other claims and priority rights (and defenses thereto) shall be fully preserved); and it is further

ORDERED that this Order is without prejudice to the rights, if any, of (i) the Debtor(s) to assert any claim or cause of action under the Bankruptcy Code or applicable law against the Owned Aircraft Parties for their failure to sell the Owned Aircraft in a commercially reasonable manner as required by law, account to Republic and the Court for the proceeds, and return any surplus to Republic or (ii) the Owned Aircraft Parties to object to or assert any defense to any such claims; and it is further

ORDERED that, upon written request, Republic shall cooperate reasonably with each Aircraft Financier with respect to the execution of or provision of information required for a lease termination document or other documentation, as appropriate, to be filed with the FAA in connection with such Equipment, but that the requesting Aircraft Financier shall be solely responsible for all costs associated with such documentation and for the filing thereof with the FAA; and it is further

ORDERED that Republic is authorized to and shall maintain its current insurance coverage and continue the existing storage maintenance program applicable to each item of Equipment until the Aircraft Coverage Termination Date; provided, however, that Republic may maintain its current insurance coverage and continue the existing storage maintenance program for the Equipment after the Aircraft Coverage Termination Date if the relevant Aircraft Financier so requests and agrees in writing to pay promptly all the costs of insurance and storage maintenance for such extended period; provided, further, that if there is such an extension of the Aircraft Coverage Termination Date, the Debtors shall not be subject to, and the Aircraft Financier shall not assert, any additional administrative expense claims (including without limitation adequate protection claims) as a result of such extension but all other bases for administrative claims (including, without limitation, any failure by the Debtors to return all

equipment by the extended Effective Date) (as well as all rights to object thereto) are fully preserved and reserved. For the purpose of this Order “Aircraft Coverage Termination Date” shall mean the earlier of (i) the later of the fifteenth (15th) day after (a) the date of entry of this Order and (b) the date on which the relevant Equipment is made available to the relevant Aircraft Financier, and (ii) the date on which the relevant Aircraft Financier takes possession of such Equipment; and it is further

ORDERED that on the Effective Date, the automatic stay of section 362(a) of the Bankruptcy Code shall not apply to the Equipment or actions or proceedings taken by the applicable Aircraft Financier in connection therewith, including but not limited to providing notices, enforcing rights and taking remedies permitted under the relevant agreements and applicable non-bankruptcy law with respect to the Equipment; and it is further

ORDERED that claims arising out of any rejection effected pursuant to these procedures must timely be filed in accordance with any order pursuant to Rule 3003(c) of the Federal Rules of Bankruptcy Procedure establishing a deadline by which prepetition general unsecured claims must be filed, on or before such deadline; and it is further

ORDERED that Republic is authorized to execute and deliver all instruments and documents and take any additional actions as are necessary or appropriate to implement and effectuate the rejections approved hereby; and it is further

ORDERED that the Motion satisfies rules 2002, 6006, 6007 and 9014 of the Federal Rules of Bankruptcy Procedure and Local Bankruptcy Rule 6007-1; and it is further

ORDERED that this Court shall retain jurisdiction to hear and determine all matters arising from or related to this Order.

Dated: New York, New York
_____, 2016

Honorable Sean H. Lane
United States Bankruptcy Judge

Annex 1 to Order: Owned Aircraft

Row No., Debtor	Notice Parties		U.S. Reg. No	MSN	Aircraft/Engine Mfr. & Model	ESN #1	ESN #2	Location	Effective Date
1. Shuttle America Corp.	<p><u>Lender:</u> Norddeutsche Landesbank Girozentrale Attention: Head of Ship and Aircraft Finance Department Friedrichswall 10 30151 Hannover Fax:+49 5113614785</p> <p>With a copy to its counsel:</p> <p>VEDDER PRICE P.C. 1633 Broadway, 47th Floor New York, New York 10019 Attn: Michael J. Edelman, Esq. Facsimile: (212) 407-7799 MJEdelman@VedderPrice.com</p> <p>and</p> <p>VEDDER PRICE P.C. 222 North LaSalle Street Suite 2600 Chicago, Illinois 60601 Attn: Douglas J. Lipke, Esq. Facsimile: (312) 609-5005 DLipke@VedderPrice.com</p> <p><u>Security Trustee:</u> Manufacturers and Traders Trust Company 25 South Charles Street Mail Code: 101-591 Baltimore, Maryland 21201 Attn: Corporate Trust Dep't Fax: (410)244-4236</p>	<p><u>Lender:</u> The CIT Group/Corporate Aviation, Inc. 1211 Avenue of the Americas, 21st Floor New York, New York 10014 Attn: Legal Department Fax: (212) 536-1388</p> <p>with a copy to:</p> <p>CIT Structured Finance 207 Queen's Quay West, Suite 700 Toronto, Ontario M5J 1A7 Canada Attention: Glen Dimpfel Fax: (416) 507-5559</p> <p>With a copy to its counsel:</p> <p>Barbra R. Parlin, Esq. Holland & Knight LLP 31 West 52nd Street New York, NY 10019 Fax: (212) 385-9010 barbra.parlin@hklaw.com</p>	N568RP	145800	Embraer ERJ-145LR	CAE312588	CAE312355	Kingman Airline Services 9900 Flightline Drive Kingman, AZ 86401	April 25, 2016

Row No., Debtor	Notice Parties	U.S. Reg. No	MSN	Aircraft/Engine Mfr. & Model	ESN #1	ESN #2	Location	Effective Date
<p>2. Shuttle America Corp.</p>	<p><u>Lender:</u> DVB Bank AG, London Branch 80 Cheapside London, EC2V 6EE England Attention: Loan Administration Fax:(011)44-20-7618-9692</p> <p>with a copy to: DVB Bank AG New York Representative Office 609 Fifth Avenue New York, NY 10017 Attention: Gail Niemi Fax: (212) 588-8937 or 8936</p> <p>With a copy to its counsel: VEDDER PRICE P.C. 1633 Broadway, 47th Floor New York, New York 10019 Attn: Michael J. Edelman, Esq. Facsimile: (212) 407-7799 MJEdeIman@VedderPrice.com</p> <p>and VEDDER PRICE P.C. 222 North LaSalle Street Suite 2600 Chicago, Illinois 60601 Attn: Douglas J. Lipke, Esq. Facsimile: (312) 609-5005 DLipke@VedderPrice.com</p>	N564RP	145524	Embraer ERJ-145LR	CAE311959	CAE311960	Kingman Airline Services 9900 Flightline Drive Kingman, AZ 86401	April 25, 2016

Annex 2 to Order: Rolls Royce Engines

Row No., Debtor	Notice Parties	U.S. Reg. No	MSN	Aircraft/Engine Mfr. & Model	ESN #1	ESN #2	Location	Effective Date
<p>1. Shuttle America Corporation</p>	<p><u>Lessor:</u> RRPF Engine Leasing (US) LLC Attention: Vice President, Sales Finance & Treasury 14850 Conference Center Drive Chantilly, Virginia, 20151 USA Facsimile No. 703 318 9097</p> <p><u>Obligor:</u> Rolls-Royce and Partners Finance (US), LLC Attention: Vice President, Sales Finance & Treasury 14850 Conference Center Drive Chantilly, Virginia, 20151 USA Facsimile No. 703 318 9097</p> <p>With a copy to its counsel: VEDDER PRICE P.C. 1633 Broadway, 47th Floor New York, New York 10019 Attn: Michael J. Edelman, Esq. Facsimile: (212) 407-7799 MJEdeIman@VedderPrice.com</p> <p>and VEDDER PRICE P.C. 222 North LaSalle Street Suite 2600 Chicago, Illinois 60601 Attn: Douglas J. Lipke, Esq. Facsimile: (312) 609-5005 DLipke@VedderPrice.com</p>	N/A	N/A	Rolls-Royce Corporation AE3007A1P	CAE312436	N/A	Louisville International Airport 600 Terminal Drive Louisville, KY 40209	April 25, 2016

Row No., Debtor	Notice Parties	U.S. Reg. No	MSN	Aircraft/Engine Mfr. & Model	ESN #1	ESN #2	Location	Effective Date
<p>2. Shuttle America Corporation</p>	<p><u>Lessor:</u> RRPF Engine Leasing (US) LLC Attention: Vice President, Sales Finance & Treasury 14850 Conference Center Drive Chantilly, Virginia, 20151 USA Facsimile No. 703 318 9097</p> <p><u>Obligor:</u> Rolls-Royce and Partners Finance (US), LLC Attention: Vice President, Sales Finance & Treasury 14850 Conference Center Drive Chantilly, Virginia, 20151 USA Facsimile No. 703 318 9097</p> <p>With a copy to its counsel:</p> <p>VEDDER PRICE P.C. 1633 Broadway, 47th Floor New York, New York 10019 Attn: Michael J. Edelman, Esq. Facsimile: (212) 407-7799 MJEmanuel@VedderPrice.com</p> <p>and</p> <p>VEDDER PRICE P.C. 222 North LaSalle Street Suite 2600 Chicago, Illinois 60601 Attn: Douglas J. Lipke, Esq. Facsimile: (312) 609-5005 DLipke@VedderPrice.com</p>	N/A	N/A	Rolls-Royce Corporation AE3007A1P	CAE312736	N/A	Louisville International Airport 600 Terminal Drive Louisville, KY 40209	April 25, 2016