

Hearing Date & Time: June 15, 2016 at 11:00 a.m. (Eastern Time)
Objection Deadline: June 8, 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' MOTION FOR
ENTRY OF ORDER PURSUANT TO 11 U.S.C. § 1121(d) EXTENDING
DEBTORS' EXCLUSIVE PERIODS IN WHICH TO FILE A
CHAPTER 11 PLAN AND SOLICIT ACCEPTANCES THEREOF**

PLEASE TAKE NOTICE that a hearing will be held at **11:00 a.m. (Eastern Time) on June 15, 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' Motion For Entry of Order Pursuant to 11 U.S.C. § 1121(d) Extending Debtors' Exclusive Periods in which to File a Chapter 11 Plan and Solicit Acceptances Thereof (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 pursuant to the Case Management Procedures approved by the Court (ECF No. 70) and in accordance with General Order M-399 (which can be found at <http://www.nysb.uscourts.gov/sites/default/files/m399.pdf>), 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) 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@mofo.com)),

Todd M. Goren, Esq. (tgoren@mofo.com), and Erica J. Richards, Esq. (erichards@mofo.com)), and (iv) counsel to 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)), so as to be so filed and received no later than **June 8, 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
May 27, 2016

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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' MOTION FOR ENTRY OF ORDER PURSUANT TO 11 U.S.C. § 1121(d)
EXTENDING DEBTORS' EXCLUSIVE PERIODS IN WHICH TO FILE A
CHAPTER 11 PLAN AND SOLICIT ACCEPTANCES THEREOF**

1. The Debtors in these chapter 11 cases are the following entities: Republic Airways Services, Inc.; Shuttle America Corporation; Republic Airline Inc.; Republic Airways Holdings Inc.; 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. Pursuant to Fed. R. Bankr. P. 1015(b), the Debtors’ chapter 11 cases have been consolidated for procedural purposes only and are being jointly administered.

3. On March 4, 2016, pursuant to section 1102 of the Bankruptcy Code, the United States Trustee appointed a statutory committee of unsecured creditors (the “Creditors Committee”).

Republic’s Business

4. RAH is a holding company that provides scheduled regional passenger services through its wholly-owned operating air carrier subsidiaries, Shuttle America Corporation and Republic Airline Inc. Republic offers approximately 1,000 flights daily to 105 cities in 38 states, Canada, the Caribbean, and the Bahamas through Republic’s fixed-fee code-share agreements with United Continental Holdings, Inc., Delta Air Lines, Inc., and American Airlines Group, Inc. (collectively, the “Codeshare Partners”), operating under the designations of United Express, Delta Connection, and American Eagle, including service out of the Codeshare

Partners' respective hubs and focus cities. Republic's operational fleet consists of approximately 180 aircraft.

5. For the year ended December 31, 2015, on a consolidated basis, Republic had operating revenue of \$1,344,000,000, operating expenses of \$1,259,200,000, and a net loss of \$27,117,000. In 2015, Republic carried 21,900,000 passengers an average of 479 miles per passenger, with a passenger load factor of 79.2%.

6. 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, filed with the Court on the Commencement Date (the "Bedford Declaration") (ECF No. 4).

Jurisdiction

7. 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

8. Section 1121(b) of the Bankruptcy Code provides for an initial period of 120 days after the commencement of a chapter 11 case during which a debtor has the exclusive right to file a chapter 11 plan (the "Exclusive Filing Period"). Section 1121(c)(3) of the Bankruptcy Code provides that if a debtor files a plan within the 120-day Exclusive Filing Period, it has an exclusive period of 180 days from the commencement date to obtain acceptances of its plan (the "Exclusive Solicitation Period"). Republic's initial Exclusive Filing Period and Exclusive Solicitation Period (together, the "Exclusive Periods") are currently scheduled to expire on June 24, 2016 and August 23, 2016, respectively.

9. Pursuant to section 1121(d) of the Bankruptcy Code, the Court may extend the Exclusive Periods for cause. *See* 11 U.S.C. § 1121(d) (“on request of a party in interest made within the respective periods specified in subsections (b) and (c) of this section and after notice and a hearing, the court may for cause reduce or increase the 120-day period or the 180-day period referred to in this section”). However, the 120-day period “may not be extended beyond a date that is 18 months after the [commencement] date” and the 180-day period “may not be extended beyond a date that is 20 months after the [commencement] date.” *Id.* § 1121(d)(2).

10. By this motion, Republic requests an extension, pursuant to section 1121(d) of the Bankruptcy Code, of (i) its Exclusive Filing Period through and including December 31, 2016 and (ii) its Exclusive Solicitation Period through and including March 1, 2017, without prejudice to Republic’s right to seek additional extensions of such periods.

11. As set forth below, Republic submits that ample cause exists to extend the Exclusive Periods as, *inter alia*, (i) Republic’s cases are large and complex, involving nationwide businesses and many faceted legal and business issues that require substantial time and diligence to resolve, (ii) there has not been sufficient time for Republic to negotiate a chapter 11 plan, and (iii) Republic has made substantial good faith progress toward its reorganization. Republic submits that the requested extensions will afford Republic the full and fair opportunity contemplated by chapter 11 to formulate, negotiate, propose, and solicit acceptances of a chapter 11 plan that will effectuate Republic’s reorganization and maximize value for all economic stakeholders.

Basis For Relief Requested

12. The Exclusive Periods were established by Congress to afford the debtor a full and fair opportunity to propose a chapter 11 plan and solicit acceptances without the

disruption to its business that is caused by the filing of multiple competing plans. Indeed, the primary objective of a chapter 11 case is the formulation, confirmation, and consummation of a consensual chapter 11 plan, and Republic intends to achieve this objective. To terminate the Exclusive Periods in these chapter 11 cases before the complete stabilization of Republic's business and implementation of its business plan, which requires, among other things, Republic to obtain modification to all its codeshare agreements as well as agreements with its aircraft counterparties for the return of out-of-favor aircraft, would be to defeat the very purpose of section 1121 of the Bankruptcy Code, *i.e.*, affording a debtor the full and fair opportunity to formulate, negotiate, and prosecute its proposed chapter 11 plan.

13. The initial 120- and 180-day Exclusive Periods provided in the Bankruptcy Code provide an unrealistic time frame for chapter 11 cases of the size and complexity of Republic's. Section 1121(d) of the Bankruptcy Code empowers a Bankruptcy Court to extend such periods "for cause." The Bankruptcy Code neither defines the term "cause" for purposes of section 1121(d) nor establishes formal criteria for an extension. The legislative history of section 1121 indicates, however, that it is intended to be a flexible standard to balance the competing interests of a debtor and its creditors. *See* H.R. Rep. No. 95-595, at 231-32 (1987), *reprinted in* 1978 U.S.C.C.A.N. 5963 (noting that Congress intended to give Bankruptcy Courts great flexibility to protect a debtor's interests by allowing a debtor unimpeded opportunity to negotiate settlement of debts without interference from other parties in interest).

14. In exercising its broad discretion to extend Republic's Exclusive Periods, the Bankruptcy Court may consider a variety of factors and assess the totality of circumstances. *See In re Borders Group, Inc.*, 460 B.R. 818, 821-22 (Bankr. S.D.N.Y. 2011) ("The determination of cause under section 1121(d) is a fact-specific inquiry and the court has broad

discretion in extending or terminating exclusivity.”); *In re Adelpia Commc’ns Corp.*, 352 B.R. 578, 587 (Bankr. S.D.N.Y. 2006) (identifying objective factors courts historically have considered in determining whether cause exists to extend or terminate exclusivity); *see also In re McLean Indus., Inc.*, 87 B.R. 830, 834 (Bankr. S.D.N.Y. 1987) (identifying factors used by courts to determine whether cause exists to extend exclusivity); *In re Dow Corning Corp.*, 208 B.R. 661, 664 (Bankr. E.D. Mich. 1997); *In re Express One Int’l, Inc.*, 194 B.R. 98 (Bankr. E.D. Tex. 1996). Those factors may include:

- (i) The size and complexity of the debtor’s case;
- (ii) The necessity for sufficient time to permit the debtor to negotiate a chapter 11 plan and prepare adequate information;
- (iii) The existence of good faith progress towards reorganization;
- (iv) The fact that the debtor is paying its bills as they become due;
- (v) Whether the debtor has demonstrated reasonable prospects for filing a viable plan;
- (vi) Whether the debtor has made progress in negotiations with its creditors;
- (vii) The amount of time which has elapsed in the case;
- (viii) Whether the debtor is seeking an extension of exclusivity in order to pressure creditors to submit to the debtor’s reorganization demands; and
- (ix) Whether an unresolved contingency exists.

Adelpia Commc’ns, 352 B.R. at 587 (noting that the nine factors listed above are “objective factors which courts historically have considered in making determinations of this character”); *see also Borders*, 460 B.R. at 822 (evaluating the nine factors set forth in *Adelpia* to hold that debtor established cause to extend exclusivity); *McLean Indus.*, 87 B.R. at 834; *accord In re Express One*, 194 B.R. at 100 (identifying the nine factors as relevant in determining whether cause exists to extend exclusivity); *In re United Press Int’l, Inc.*, 60 B.R. 265, 269 (Bankr. D.C.

1986) (holding that debtor showed cause to extend exclusive period based upon certain of the nine factors).

15. As shown below, application of these factors to Republic's chapter 11 cases demonstrates ample cause to extend the Exclusive Periods and for Republic to have the opportunity contemplated by the Bankruptcy Court to propose and solicit acceptances of a chapter 11 plan.

**Republic's Cases Are Large and Complex and
There Has Not Been Sufficient Time to
Permit Republic to Negotiate and Propose a Chapter 11 Plan**

16. It is well-established that the size and complexity of a debtor's case alone may constitute cause to extend the Exclusive Filing Period. The legislative history of section 1121 of the Bankruptcy Code provides that "if an unusually large company were to seek reorganization under chapter 11, the court would probably need to extend the time in order to allow the debtor to reach an agreement." H.R. Rep. No. 95-595, at 232 (1978), *reprinted in* 1978 U.S.C.C.A.N. 5963. Similarly, this Court has stated: "The large size of a debtor and the consequent difficulty in formulating a plan . . . for a huge debtor with a complex financial structure are important factors which generally constitute cause for extending the exclusivity periods." *In re Texaco Inc.*, 76 B.R. 322, 326 (Bankr. S.D.N.Y. 1987).

17. The size and complexity of, and legal issues attendant to, these seven chapter 11 cases warrant an extension of the Exclusive Periods. With approximately 5,800 employees, Republic is one of the largest regional air carriers in the United States, offering approximately 1,000 flights per day on 180 aircraft to 105 cities in 38 states, Canada, the Caribbean, and the Bahamas. For the year ended December 31, 2015, on a consolidated basis, Republic had operating revenue of \$1,344,000,000, operating expenses of \$1,259,200,000, and a

net loss of \$27,117,000. In 2015, Republic carried 21,900,000 passengers an average of 479 miles.

18. As noted above, the sheer size of Republic's cases alone warrants the requested extension of its Exclusive Periods, However, the magnitude of the cases is even further complicated by the difficult and complex negotiations that Republic has undertaken in an effort to achieve modified agreements with all its Codeshare Partners and agreements with aircraft counterparties for the early return of, and settlement of claims with regard to, out-of-favor aircraft—all of which are integral to Republic's restoration of service and its long-term operations and profitability.

19. In cases of the size and complexity of Republic's, 120 days clearly is inadequate to accomplish these objectives, which are requisite to the formulation of a chapter 11 plan. Moreover, due to its size and complexity, Republic had sought and obtained a modest extension of time, until May 26, 2016, to file its schedules of assets and liabilities, schedules of executory contracts and unexpired leases, and statements of financial affairs (the "Schedules"). Although the Schedules were completed and filed prior to the extended deadline and Republic, promptly thereafter, filed a motion to establish a claims bar date in the cases, Republic's formulation, negotiation, and proposal of a confirmable plan of reorganization and preparation of a disclosure statement containing adequate information before the bar date is established and claims have been asserted and analyzed, is neither advisable nor realistic. Accordingly, Republic submits that the requested extension of the Exclusive Periods is warranted and appropriate.

**Substantial Good Faith Progress Has Been
Made to Achieve the Objectives of Chapter 11**

20. Republic has made significant progress toward its reorganization and in pursuing a competitive cost structure in order to achieve viability in the industry. At the outset

of these cases, Republic's primary focus was to stabilize the business and obtain operationally-related relief with respect to employee compensation and benefit programs, insurance programs, utility providers, critical and foreign vendors, warehousemen and common carriers, taxes, cash management, and clearinghouse agreements, among others, and effectively implement the same.

21. In addition to successfully obtaining and implementing the foregoing, during the initial twelve weeks of these chapter 11 cases, Republic:

- Negotiated, reached agreement on, and obtained Bankruptcy Court approval of, a comprehensive settlement with Delta that cemented the parties' long-term relationship and included a modified codeshare agreement and a global resolution of claims and pending litigation;
- Successfully defended against a requested stay of the Delta settlement in the District Court;
- Commenced discussions with its other Codeshare Partners with respect to modified codeshare agreements, which discussions are ongoing and progressing;
- Engaged in a comprehensive process to solicit a commitment for postpetition financing and ultimately secured approval of, and closed on, DIP financing from Delta in the amount of \$75,000,000 that will to ensure adequate liquidity for the administration of these chapter 11 cases;
- Proceeded expeditiously pursuant to section 1110(a) of the Bankruptcy Code, filing twenty-seven 1110(a) election notices with respect to approximately 173 aircraft, 19 spare engines, and aircraft spare parts and seeking Court approval of nine 1110(b) stipulations extending the section 1110 period with respect to approximately 44 aircraft and agreeing to the return of approximately 39 out-of-favor aircraft and related engines;
- Negotiated and obtained Court approval of a comprehensive settlement agreement with an aircraft lessor for the orderly return of the Q400 fleet;
- Filed three omnibus motions to surrender and return aircraft equipment, including the rejection of unexpired leases on 1 aircraft and 8 spare engines and the return of 11 aircraft and 2 engines leases subject to mortgages;
- Completed and filed its first and second monthly operating reports and Schedules, which required significant extraction and deconsolidation of data from Republic's books and records and audited financials, including the

identification of potential creditors and analysis of their interests for proper characterization, the review of transactions dating back two years from the Commencement Date, and the review of substantial documentation to identify all executory contracts and leases, as well as guaranty and other co-debtor obligations;

- Established procedures for the submission and resolution of reclamation and section 503(b)(9) claims;
- Established certain claims resolution procedures;
- Obtained Court approval of the retention of necessary professionals, including Seabury Corporate Advisors LLC, KPMG LLP, Deloitte & Touche LLP, chapter 11 counsel Zirinsky Law Partners PLLC and Hughes Hubbard & Reed LLP, and ordinary course professionals;
- Responded to countless inquiries related to the status of these cases and specific creditor inquiries, including inquiries from critical vendors to ensure continued relationships post-filing; and
- Established a constructive working relationship with the Creditors Committee and its professionals.

22. In particular, Republic's global resolution with Delta marks a significant milestone in these chapter 11 cases. As stated in the Bedford Declaration, one of the primary reasons for seeking a Court-supervised restructuring was to enable Republic to obtain amended codeshare agreements with each of its Codeshare Partners in order to address its increased operating costs, which had increased significantly. (*See Bedford Declaration ¶ 28.*) Meeting this goal as to Delta was the result of significant effort on the part of Republic and its professionals and has created momentum in Republic's negotiations with its other Codeshare Partners. Republic received full support for the Delta settlement from the Creditors Committee and will continue to work for its support going forward with respect to its agreements with the other Codeshare Partners.

23. Indeed, just four weeks into Republic's cases, Republic began to engage in more meaningful negotiations with its other Codeshare Partners, a substantial step toward

reaching modified agreements. While prepetition negotiations had not previously proved fruitful, the Court's approval and the consummation of Republic's agreement with Delta has proven to be a powerful catalyst in advancing these discussions. Ultimately, reaching agreements that provide both economic certainty and a clear path forward toward a sustainable business model is pivotal for a successful and meaningful restructuring for Republic.

24. In addition to reaching a global resolution with Delta, Republic engaged in a comprehensive process to solicit proposals for postpetition financing. Republic evaluated bids from a number of prospective lenders and engaged in negotiations to ensure it secured a commitment for financing on the best possible terms. Ultimately, Republic selected as the best bid, and sought and secured Court approval for, a financing arrangement with Delta on highly favorable terms that include an impressively low rate of interest, minimal fees, and significant borrowing flexibility. These substantial achievements early in Republic's chapter 11 cases have aided Republic's efforts to attract and retain pilots and other essential employees while it winds down its costly small jet flying and rebuilds its scheduled flying of larger jets, ultimately enhancing Republic's enterprise value.

25. Republic also has made great strides in restructuring its aircraft fleet to best serve the needs of its Codeshare Partners while significantly reducing costs. At the outset of these cases, Republic announced its intention to use the restructuring process to obtain agreements with its aircraft counterparties for the early return of out-of-favor aircraft, including its Q400 and ERJ-145 fleet. (*See* Bedford Declaration ¶ 28.) Through motions to reject aircraft and engine leases or surrender owned aircraft and engines, Republic has returned approximately 12 out-of-favor aircraft and 10 spare engines. In addition, Republic has entered section 1110(b) stipulations that provide for the orderly return of approximately 39 additional out-of-favor

aircraft. Republic has also entered a comprehensive agreement regarding the return and settlement of claims related to out-of-favor aircraft with Nordic Aviation Capital. Reaching these agreements was an integral step in Republic's restructuring plan and Republic's long-term business plan to operate a single aircraft type (E170/175). (*See* Bedford Declaration ¶ 28.)

26. Republic continues to negotiate modifications to existing aircraft loans and leases pursuant to section 1110 of the Bankruptcy Code and has obtained Court approval to enter into section 1110(a) agreements and section 1110(b) stipulations with respect to approximately 190 ERJ-170/175 aircraft to extend the time to comply with section 1110 in order to continue analyzing the pertinent agreements and continue to negotiate with aircraft parties. Republic intends to further reduce its ongoing fleet costs through agreements with aircraft financiers to amend loans and leases to better align these agreements with the market and Republic's agreements with its Codeshare Partners. Republic's professionals continue to work with aircraft financiers to effect these restructurings.

27. Patently, the administration of these chapter 11 cases and the negotiation, formulation, filing, and prosecution of a chapter 11 plan will require substantial additional time and effort. The extensions of the Exclusive Periods are critical and necessary to afford Republic the opportunity to achieve the objectives of chapter 11 on a consensual basis. The requested extensions are reasonable and necessary in the context of the facts and circumstances. More limited extensions would be unrealistic and only require unnecessary and expensive motion practice. Republic submits that the record to date in this short period of time justifies the requested extensions.

Republic Has Made Progress Pursuing the Objectives of Chapter 11 and Is Not Seeking to Use Exclusivity to Pressure Creditors to Submit to Republic's Demands

28. This is Republic's first request for an extension of its Exclusive Periods.

It is self-evident that Republic is not seeking these extensions to artificially delay the conclusion of these chapter 11 cases or to hold creditors hostage to an unsatisfactory plan proposal. Simply put, there has not been a real opportunity for Republic to propose and file a plan during the short period of time since the Commencement Date. The size and complexities of the instant cases are patent and establish a realistic foundation for the requested extensions.

29. Republic's relationship with the Creditors Committee and its professionals is constructive. Only twelve weeks have passed since the Commencement Date. The request for extending the Exclusive Periods is not a negotiating tactic, but rather, is a reflection of the fact that these cases are not yet sufficiently mature for the formulation, and proposal of a feasible chapter 11 plan.

30. The requested extension of the Exclusive Periods will not harm any economic stakeholder. Rather, the time will be used to develop and build consensus for a feasible chapter 11 plan. Moreover, should any events occur or there be a significant change in circumstances, a party in interest may move to reduce the Exclusive Periods. *See* 11 U.S.C. § 1121(d).

Important Contingencies Must Be Resolved by Republic

31. Courts have recognized the need to resolve important contingencies as justification for extending the Exclusive Periods. *See, e.g., Borders*, 460 B.R. at 826; *Adelphia Commc'ns*, 352 B.R. at 587. Republic has made substantial progress in the prosecution of these chapter 11 cases. However, it is abundantly clear that additional time in which to formulate,

negotiate, and propose a confirmable chapter 11 plan is necessary to allow Republic to address the gating issues described above.

32. The requested extension of the Exclusive Periods will not prejudice any party in interest, but rather will avert prematurity and afford Republic a realistic opportunity to propose a feasible and consensual chapter 11 plan. Failure to extend the Exclusive Periods as requested herein would defeat the very purpose of section 1121 of the Bankruptcy Code, i.e., to afford Republic a meaningful and reasonable opportunity to negotiate with its economic stakeholders and propose a confirmable plan. The termination of the Exclusive Periods and the threat of multiple plans would lead to unnecessary adversarial situations and confrontations which will cause a deterioration of the orderly chapter 11 process in contravention of the intent and objectives of chapter 11.

Republic Is Making Required Postpetition Administrative Expense Payments As They Become Due and Have the Ability to Continue to Do So

33. Courts considering an extension of exclusivity also may assess a debtor's liquidity and solvency. *See Adelpia Commc'ns*, 352 B.R. at 587; *Texaco*, 76 B.R. at 322. Here, Republic has obtained postpetition financing, and therefore, has sufficient liquidity and is paying administrative expenses as they become due and will continue to do so. The sufficiency of Republic's liquidity also supports the requested relief.

Conclusion

34. Republic has responded to the exigent demands of these chapter 11 cases and has worked diligently with the Creditors Committee to advance the reorganization process. Republic should be afforded a full, fair, and reasonable opportunity to formulate, negotiate, propose, and solicit acceptances of a chapter 11 plan. The requested extension of the Exclusive Periods is warranted and necessary to afford Republic a meaningful opportunity to pursue the

chapter 11 reorganization process and build a consensus among economic stakeholders, all as contemplated by chapter 11 of the Bankruptcy Code.

35. The extensions of the Exclusive Periods will enable Republic to harmonize the diverse and competing interests that exist and seek to resolve any conflicts in a reasoned and balanced manner for the benefit of all parties in interest.

Notice

36. Notice of this Motion has been provided in accordance with the Court's Case Management Order dated March 2, 2016 (ECF No. 70), and will be immediately available for inspection upon filing with the Court on Republic's case website (located at <https://cases.primeclerk.com/rjet/>). Republic submits that no other or further notice need be given.

37. 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 granting the relief requested herein and such other and further relief as is just.

Dated: New York, New York
May 27, 2016

/s/ Bruce R. Zirinsky
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**UNITED STATES BANKRUPTCY COURT
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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 PURSUANT TO 11 U.S.C. § 1121(d)
EXTENDING DEBTORS' EXCLUSIVE PERIODS IN WHICH TO
FILE A CHAPTER 11 PLAN AND SOLICIT ACCEPTANCES THEREOF**

A hearing having been held on June 15, 2016 (the "Hearing") to consider the motion dated May 27, 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 section 1121(d) of title 11, United States Code (the "Bankruptcy Code"), for entry of an order extending the Debtors' exclusive periods in which to file a chapter 11 plan (the "Exclusive Filing Period") and solicit acceptances thereof (the "Exclusive Solicitation Period," and together with the Exclusive Filing Period, the "Exclusive Periods"), all as more fully set forth in the Motion; and the Court having jurisdiction to consider the Motion and the relief requested therein pursuant to 28 U.S.C. §§ 157 and 1334 and Amended Standing Order of Reference M-431, dated February 1, 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

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1. The Debtors in these chapter 11 cases are the following entities: Republic Airways Services, Inc.; Shuttle America Corporation; Republic Airline Inc.; Republic Airways Holdings Inc.; 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 shall have the meanings ascribed to them in the Motion.

proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409; and due and sufficient notice of the Motion having been provided in accordance with the Order Pursuant to 11 U.S.C. § 105(a) & Fed. R. Bankr. P. 1015(c), 2002(m) & 9007 Implementing Certain Notice and Case Management Procedures (ECF No. 70), and it appearing that no other or further notice need be provided; 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 relief sought in the Motion is in the best interests of the Debtors, their 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 granted to the extent set forth herein; and it is further

ORDERED that, pursuant to section 1121(d) of the Bankruptcy Code, Republic's Exclusive Filing Period in which to file a chapter 11 plan is extended through and including December 31, 2016; and it is further

ORDERED that, pursuant to section 1121(d) of the Bankruptcy Code, Republic's Exclusive Solicitation Period in which to solicit acceptances of its chapter 11 plan is extended through and including March 1, 2017; and it is further

ORDERED that the extensions of the Exclusive Periods granted herein are without prejudice to such further requests that may be made by Republic pursuant to section 1121(d) of the Bankruptcy Code, for cause shown, upon notice and a hearing; 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
June __, 2016

United States Bankruptcy Judge