

**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' FOURTH OMNIBUS MOTION PURSUANT
TO 11 U.S.C. §§ 363(b) & 1110 FOR AN ORDER AUTHORIZING DEBTORS TO
TRANSFER TITLE TO AND SURRENDER CERTAIN OWNED AIRCRAFT**

A hearing having been held on September 21, 2016 (the "Hearing"), to consider the motion, dated September 2, 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) and 1110 of the Bankruptcy Code, for entry of an order authorizing Debtors to transfer title to certain owned aircraft, 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 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

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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.

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 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 (a) to the FMS Aircraft to Wells Fargo Bank Northwest National Association, in its capacity as security trustee pursuant to the terms of the operative documents for the financing of the FMS Aircraft, or its designee (the “FMS Security Trustee”) and (b) to the NXT Aircraft to NXT, Wells Fargo Bank Northwest, National Association, as security trustee, or a designee, as designated by NXT in writing prior to the Effective Date for the NXT Aircraft (the “NXT Secured Party,” and together with the FMS Security Trustee, each an “Aircraft Return Party”) as of the date on which the applicable Aircraft Return Party takes possession of such Aircraft as indicated in an executed delivery receipt for such Aircraft, without further order of the Court; and it is further

ORDERED that, pursuant to section 1110 of the Bankruptcy Code, the FMS 1110 Election is hereby withdrawn, revoked and terminated effective September 8, 2016; and it is further

ORDERED that Republic will (i) as soon as reasonably practicable after the date of entry of this Order make available all “records and documents” (as described in section 1110(a)(3)(B) of the Bankruptcy Code) in its possession or control related to the Aircraft

(collectively, the “Aircraft Records”) to the applicable Aircraft Return Party, and (ii) from and after the Effective Date listed in Annexes 1 and 2 hereto, respond to reasonable inquiries regarding the Aircraft Records; *provided*, that the Debtors shall not be required to incur any additional expenses with respect to any such inquiries; and it is further

ORDERED that Republic shall surrender and return the Aircraft to the applicable Aircraft Return Party 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 Return Party may agree in writing that the Aircraft 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 Aircraft happens to be non-serviceable, Republic is under no obligation to repair such Aircraft to make it serviceable; *provided* that (i) the applicable Aircraft Financier’s rights are reserved to assert claims of any kind, including, without limitation, secured claims and/or administrative expenses and/or priority claims, with respect to the condition of the Aircraft and (ii) the Debtors’ and all other parties’ rights to object to any such claims on any basis, including, without limitation, the validity, amount and priority of such claims, are reserved,; and it is further

ORDERED that this Order is without prejudice to the rights, if any, of (i) any Aircraft Financier or any secured party under the relevant operative documents with respect to any Aircraft, which documents are unchanged except as otherwise provided for herein to assert claims (or to amend claims) of any kind, including secured claims and/or administrative expenses and/or priority claims, for damages in connection with surrender and return of the Aircraft, including, without limitation, for failure to comply or delay by the Debtors to satisfy all

surrender, return, return location or turnover provisions with respect to any portion of the Aircraft 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), irrespective of any written demand for possession), 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 and obligations, including any indemnities, fees and expenses, if any, or a claim with respect to any diminution in the value of the Aircraft occurring after the Commencement Date and prior to September 6, 2016 (or such other date as agreed upon by the Debtors and the applicable Aircraft Return Party) or (ii) the Debtors or any other party to object to any such claims (or claim amendments) on any basis, including without limitation, validity, enforceability and/or asserted priority; *provided, however*, that to the extent Republic and an Aircraft Return Party agree in writing (or have agreed in writing, including, as applicable, through stipulations under section 1110(b) of the Bankruptcy Code) that the Aircraft shall be returned or surrendered in a manner other than that specified in the Order, with respect to specific matters delineated in such agreement, such Aircraft Return Party 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 applicable Aircraft Return Party for its failure to sell the applicable 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 applicable Aircraft Return Party to object to or assert any claim or defense in regard to such sale; and it is further

ORDERED that, upon written request, Republic shall cooperate reasonably with each Aircraft Return Party with respect to the execution of or provision of information required for documentation to be filed with the FAA in connection with such Aircraft, but that the requesting Aircraft Return Party shall be solely responsible for all costs associated with such documentation and for the filing thereof with the FAA; *provided* that (i) the applicable Aircraft Financier's rights are reserved to assert claims of any kind, including, without limitation, secured claims and/or administrative expenses and/or priority claims, with respect to all such costs and (ii) the Debtors' and all other parties' rights to object to any such claims on any basis, including, without limitation, the validity, amount and priority of such claims, are reserved; and it is further

ORDERED that Republic is authorized to and shall maintain its current insurance coverage and continue the existing storage and maintenance programs applicable to each item of Aircraft until the Aircraft Coverage Termination Date; *provided, however*, that Republic may maintain its current insurance coverage and continue the existing storage and maintenance programs for the Aircraft after the Aircraft Coverage Termination Date if the applicable Aircraft Financier so requests and agrees in writing to pay promptly all the actual costs (without markup) of insurance, storage and maintenance allocable to such Aircraft 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 Aircraft Coverage

Termination 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 fifteenth (15th) day after the date of entry of this Order (which may be after the Effective Date for an Aircraft) and (ii) the date on which the applicable Aircraft Return Party takes possession of such Aircraft as indicated in an executed delivery receipt for such Aircraft; 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 Aircraft or actions or proceedings taken by the applicable Aircraft Return Party 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 Aircraft; and it is further

ORDERED that nothing herein shall limit or affect the rights of the Debtors or the Aircraft Parties under any section 1110(b) stipulation, all of which rights are hereby preserved; 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 surrenders, transfers of title and rejections approved hereby; and it is further

ORDERED that the Motion satisfies Rules 2002, 6006 and 9014 of the Federal Rules of Bankruptcy Procedure; 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
September 22, 2016

/s/ Sean H. Lane
Honorable Sean H. Lane
United States Bankruptcy Judge

Annex 1 to Order: FMS Aircraft

Row No., Debtor	Notice Parties	U.S. Reg. No	MSN	ESN #1	ESN #2	Location	Effective Date	
1. Republic Airline Inc.	<p><u>Security Trustee:</u> Wells Fargo Bank Northwest, National Association 299 South Main Street 12th Floor Salt Lake City, UT 84111 Tel: (801) 246-5630 Fax: (801) 246-5053 Attn: Megan Giamalakis Megan.C.Giamalakis@wellsfargo.com</p>	<p><u>Junior Lender:</u> Natixis BP 4 - 75060 Paris Cedex 02 France Attention: Transportation Finance Tel: (011)33-1-58-19-36-95 Fax: (011)33-1-45-55-45-09 Natixis, New York Branch 1251 Avenue of the Americas New York, New York 10020 Attention: Benoist de Vimal Telephone: +1 (212) 891-6100 Telecopier: +1 (646) 282-2321</p>	N104HQ	17000160	GE-E193459	GE-E193462	Premier Aviation Overhaul Center Ltd 394 Hangar Road, Rome, New York 13441 Phone: (315) 838-1500 Fax: (315) 838-1555	9/8/16
2. Republic Airline Inc.			N105HQ	17000163	GE-E193468	GE-E193469		9/8/16
3. Republic Airline Inc.	<p><u>Senior Lender:</u> FMS Wertmanagement AöR c/o FMS Wertmanagement Service GmbH 88 Pine Street, 16th Floor New York, NY 10005</p>	<p>With a copy to its counsel:</p>	N106HQ	17000164	GE-E193470	GE-E193471		9/8/16
4. Republic Airline Inc.	<p>Attn: Thomas Drelles and Denise Person thomas.drelles@fms-se.de and denise.person@fms-sg.com</p>	<p>PILLSBURY WINTHROP SHAW PITTMAN LLP Leo T. Crowley Christopher R. Mirick Matthew J. Oliver 1540 Broadway New York, NY 10036 (212) 858-1000 (Phone) (212) 858-1500 (Fax) leo.crowley@pillsburylaw.com christopher.mirick@pillsburylaw.com matthew.oliver@pillsburylaw.com</p>	N107HQ	17000165	GE-E193473	GE-E193474		9/8/16
5. Republic Airline Inc.	<p>With a copy to its counsel: Kenneth E. Noble HOLLAND & KNIGHT LLP 31 West 52nd Street, 12th Floor New York, New York 10019 Telephone: (212) 513-3574 Kenneth.noble@hkllaw.com</p>		N108HQ	17000166	GE-E193472	GE-E193475		9/8/16

Annex 2 to Order: NXT Aircraft

Row No., Debtor	Notice Parties	U.S. Reg. No	MSN	ESN #1	ESN #2	Location	Effective Date
<p>1. Republic Airline Inc.</p>	<p><u>Lender:</u> NXT Capital, LLC 1277 Treat Boulevard Suite 950 Walnut Creek, CA 94597 Attention: Senior Legal Officer Tel: (925) 953-1510 Fax: (925) 954-6469 Email: scott.stein@nxtcapital.com</p> <p>With a copy to its counsel:</p> <p>VEDDER PRICE P.C. 1633 Broadway, 47th Floor New York, New York 10019 Attention: Michael J. Edelman, Esq. Telephone: (212) 407-7700 Facsimile: (212) 407-7799 E-mail: MJEdelman @VedderPrice.com</p> <p>and</p> <p>VEDDER PRICE P.C. 222 North LaSalle Street, Suite 2600 Chicago, Illinois 60601 Attention: Douglas J. Lipke, Esq. Telephone: (312) 609-7500 Facsimile: (312) 609-5005 DLipke@VedderPrice.com</p>	<p>N137HQ</p>	<p>17000231</p>	<p>GE- E193618</p>	<p>GE- E193617</p>	<p>Premier Aviation Overhaul Center Ltd 394 Hangar Road, Rome, New York 13441 Phone: (315) 838-1500 Fax: (315) 838-1555</p>	<p>9/23/16</p>