

**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.<sup>1</sup>** : **(Jointly Administered)**

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**ORDER PURSUANT TO 11 U.S.C. § 365(a) AND FED.  
R. BANKR. P. 6006 AUTHORIZING DEBTORS TO REJECT  
CERTAIN AIRCRAFT LEASES WITH GECAS**

Upon the motion, dated September 30, 2016 (the "Motion"),<sup>2</sup> 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 365(a) of the Bankruptcy Code and rule 6006 of the Federal Rules of Bankruptcy Procedure, for entry of an order authorizing Debtors to reject certain Leases and return the Returned 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,

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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 have the meanings ascribed to them in the Motion.

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; and the Court having found and determined that the Motion satisfies the requirements of Fed. R. Bankr. P. 6006, 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 365(a) of the Bankruptcy Code and Fed. R. Bankr. P. 6006, Republic's rejection of each Lease as of October 20, 2016 is approved; and it is further

ORDERED that the rights of the Debtors, the Aircraft Parties, and their respective affiliates contained in that certain *Stipulation and Order Approving Section 1110(b) Extension for GECAS Leased and Financed Aircraft*, which was so ordered by the Court on May 10, 2016 [ECF No. 551] (the "1110(b) Stipulation") and amended on June 24, 2016 [ECF No. 716], July 29, 2016 [ECF No. 849] and August 12, 2016 [ECF Nos. 885 and 886], are fully reserved and shall not be modified by this Order; and it is further

ORDERED that Republic shall on the Effective Date, or as soon as reasonably practicable after the Effective Date, but in no event later than five (5) business days after the filing of lease termination documentation with the FAA in connection with a Returned Aircraft, use its reasonable best efforts to make available all "records and documents" (as described in section 1110(a)(3)(B) of the Bankruptcy Code) (collectively, the "Aircraft Records") in Republic's possession or control, or that are accessible by Republic, related to such Returned

Aircraft in connection with repossession of such Returned Aircraft, including (a) promptly providing the Aircraft Parties and their consultants with access to the Debtors' facilities to complete their customary review of the Aircraft Records and (b) reasonably cooperating at the request of the Aircraft Parties and their consultants to (1) promptly provide records or statements for substantiation of such items as non-incident, non-accident, operational parameters, etc., (2) promptly perform any reasonable corrections to the Aircraft Records, and (3) promptly respond to any reasonable questions related to the Aircraft Records; and it is further

ORDERED that Republic shall surrender and return the Returned Aircraft to the Aircraft Parties at the location provided in Annex 1 hereto and in accordance with the return and surrender procedures set forth in this Order; provided that Republic and the Aircraft Parties may agree in writing that the Returned Aircraft will be returned to or surrendered at another location or according to other return or surrender procedures; and it is further

ORDERED that, unless the Aircraft Parties agree otherwise in writing, Republic shall return the Returned Aircraft in a regular passenger configuration (i.e., complete dual class configuration or complete single class configuration), similar to the configuration of comparable aircraft in Republic's fleet, reasonable wear and tear excepted, and otherwise in the condition required to be maintained under Republic's FAA-approved maintenance program; and it is further

ORDERED that, to the extent any liens or security interests exist on any Returned Aircraft, the Debtors and the Aircraft Parties shall cooperate in good faith to procure the release of such liens or security interests at the sole cost and expense of the Aircraft Parties; provided that (i) the Aircraft Parties' rights are reserved to assert claims of any kind, including secured claims and/or administrative expenses and/or priority claims, with respect to fees, expenses,

costs or other amounts paid or incurred by the Aircraft Parties to procure the release of such liens or security interests 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 if any of the Returned Aircraft happens to be non-serviceable, Republic is under no obligation to repair such Returned Aircraft to make it serviceable; provided that (i) the Aircraft Parties' rights are reserved to assert claims of any kind, including secured claims and/or administrative expenses and/or priority claims, with respect to the condition of the Returned 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) the Aircraft Parties to assert claims of any kind, including secured claims and/or administrative expenses and/or priority claims, for damages in connection with the rejection of the Leases and return of the Returned Aircraft, including, but not limited to, failure to comply or delay by the Debtors to satisfy all surrender, return, or turnover provisions with respect to any portion of the Returned Aircraft or for improper or inadequate record keeping with respect to the Aircraft Records, in each case, under the applicable Lease, security agreement or other operative documents or under the Bankruptcy Code (including, without limitation, section 1110(c)), including entitlement to lease payments or damages, or an administrative expense claim with respect to lease payments or damages, if any, or a claim for other contractual payments, including any indemnities, fees and expenses, if any, or (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, upon written request from the Aircraft Parties, Republic shall cooperate reasonably with the Aircraft Parties 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 Returned Aircraft; provided that the Aircraft Parties and Republic shall each be responsible for one-half of the fees of FAA counsel and other 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 and maintenance program (excluding non-ordinary course maintenance, overhauls or repairs) applicable to each item of Returned Aircraft until the Aircraft Coverage Termination Date; provided, however, that Republic may maintain its current insurance coverage and continue the existing storage and maintenance program (excluding non-ordinary course maintenance, overhauls or repairs) for the Returned Aircraft after the Aircraft Coverage Termination Date until the Extended Coverage Termination Date if the Aircraft Parties so request and agree in writing to pay promptly all the costs of insurance, storage and maintenance allocable to such Returned 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 Parties 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 expense claims (including, without limitation, any failure by the Debtors to return all equipment by the extended Aircraft Coverage Termination Date and the

condition of equipment upon return) (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 thirtieth (30th) day after the date of entry of this Order and (ii) the date on which the Aircraft Parties take possession of such Returned 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 Returned Aircraft or actions or proceedings taken by the Aircraft Parties 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 Returned Aircraft; 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 Aircraft Parties may assert claims for damages arising from the rejection of the Leases (a “Rejection Claim”) as set forth herein. The deadline to file a proof of claim against the Debtors with respect to any Rejection Claim shall be November 30, 2016. Any claim not timely filed will be irrevocably barred. Nothing contained in this Order shall be construed as a waiver by the Debtors or the Official Committee of Unsecured Creditors of the right to review any such Rejection Claim and, where appropriate, object to the allowance of any or all of the Rejection Claim; and it is further

ORDERED that the Motion satisfies rule 6006 of the Federal Rules of Bankruptcy Procedure; and it is further

ORDERED that this Court shall retain jurisdiction over any matters related to or arising from the implementation of this Order.

Dated: New York, New York  
October 21, 2016

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

**Annex 1 to Order: Returned Aircraft**

**Return Location:** Premier Aviation Overhaul Center Ltd, 394 Hangar Road, Rome, New York 13441;  
Phone: (315) 838-1500; Fax: (315) 838-1555

<b>AIRCRAFT PARTIES</b>	<b>AIRCRAFT FAA REG. NO.</b>	<b>AIRCRAFT MSN</b>	<b>ESN #1</b>	<b>ESN #2</b>
Wells Fargo Bank Northwest, NA AFS Investments XI, Inc.	N801MA	17000012	GE-E193129	GE-E193128
Wells Fargo Bank Northwest, NA AFS Investments XI, Inc.	N802MD	17000013	GE-E193126	GE-E193130
Wells Fargo Bank Northwest, NA AFS Investments XI, Inc.	N803MD	17000015	GE-E193134	GE-E193133
Wells Fargo Bank Northwest, NA AFS Investments XI, Inc.	N804MD	17000016	GE-E193140	GE-E193137
Wells Fargo Bank Northwest, NA AFS Investments XIII, Inc.	N808MD	17000021	GE-E193162	GE-E193158
Wells Fargo Bank Northwest, NA AFS Investments XIII, Inc.	N811MD	17000028	GE-E193166	GE-E193169
Wells Fargo Bank Northwest, NA AFS Investments XIII, Inc.	N812MD	17000030	GE-E193179	GE-E193172
Wells Fargo Bank Northwest, NA SAL Investments 2 LLC	N813MA	17000031	GE-E193174	GE-E193175
Wells Fargo Bank Northwest, NA SAL Investments 2 LLC	N814MD	17000033	GE-E193190	GE-E193188
Wells Fargo Bank Northwest, NA SAL Investments 2 LLC	N816MA	17000037	GE-E193184	GE-E193196
Wells Fargo Bank Northwest, NA AFS Investments XIII, Inc.	N817MD	17000038	GE-E193197	GE-E193202
Wells Fargo Bank Northwest, NA AFS Investments XIII, Inc.	N819MD	17000040	GE-E193198	GE-E193199
Wells Fargo Bank Northwest, NA AFS Investments 69, Inc.	N820MD	17000041	GE-E193200	GE-E193206
Wells Fargo Bank Northwest, NA AFS Investments 69, Inc.	N822MD	17000043	GE-E193209	GE-E193210
Wells Fargo Bank Northwest, NA AFS Investments 73 LLC	N827MD	17000047	GE-E193225	GE-E193203
Wells Fargo Bank Northwest, NA SAL Investments 2 LLC	N828MD	17000048	GE-E193259	GE-E193257
Wells Fargo Bank Northwest, NA AFS Investments 73 LLC	N829MD	17000049	GE-E193255	GE-E193262