

Hearing Date & Time: November 17, 2016 at 11:00 a.m. (Eastern Time)
Objection Deadline: November 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)**

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**NOTICE OF HEARING ON DEBTORS' MOTION FOR AN ORDER PURSUANT
TO 11 U.S.C. § 105(a) AND FED. R. BANKR. P. 9019(a) APPROVING STIPULATION
FOR SETTLEMENT OF CLAIMS BETWEEN THE DEBTORS AND GECAS**

PLEASE TAKE NOTICE that a hearing will be held at **11:00 a.m. (Eastern Time) on November 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, New York, New York 10004 to consider *Debtors' Motion For an Order Pursuant to 11*

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.

U.S.C. § 105(a) and Fed. R. Bankr. P. 9019(a) Approving Stipulation for Settlement of Claims Between the Debtors and GECAS (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) 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)), (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)), 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 **November 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
October 27, 2016

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Hearing Date & Time: November 17, 2016 at 11:00 a.m. (Eastern Time)
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*Attorneys for the Debtors
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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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**DEBTORS' MOTION FOR AN ORDER PURSUANT TO 11 U.S.C.
§ 105(a) AND FED. R. BANKR. P. 9019(a) APPROVING STIPULATION FOR
SETTLEMENT OF CLAIMS BETWEEN THE DEBTORS AND GECAS**

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 Declaration,” ECF No. 4), filed with the Court on the Commencement Date.

5. On the Commencement Date, pursuant to lease agreements among the Debtors, GE Capital Aviation Services LLC (“GECAS”) and Wells Fargo Bank Northwest, National Association, as owner trustee (“Wells Fargo,” and together with GECAS, the “Aircraft Parties”), the Debtors leased 28 ERJ-140/145 aircraft (the “ERJ Aircraft”), 9 related spare

engines (the “ERJ Engines”) and 17 E-170 aircraft (the “EJET Aircraft”). The Debtors rejected the leases on the ERJ Aircraft and ERJ Engines in the first months of these chapter 11 cases in furtherance of its goal to streamline its operations by operating a single aircraft type and returning out of favor aircraft, like the ERJ 140/145 aircraft.² The Debtors subsequently rejected the leases on the EJET Aircraft because they were no longer necessary under Republic’s amended codeshare agreements.³

6. On July 22, 2016, GECAS and Wells Fargo filed the following proofs of claim against the Debtors, including RAH, Shuttle America Corporation (“SAC”) and Republic Airline Inc. (“RAI”) with respect to the leases on the ERJ Aircraft, ERJ Engines, and EJET Aircraft (collectively, the “Asserted Claims”):

Claim No.	Debtor	Claimant	ERJ Aircraft	ERJ Engines	EJET Aircraft	Total Claim
1238	RAH	GECAS	\$155,568,105	\$2,390,374	\$7,732,217	\$165,690,696
1239	RAH	Wells Fargo	\$155,568,105	\$2,390,374	\$7,732,217	\$165,690,696
1236	SAC	GECAS	\$155,568,105	\$3,844,524	-	\$159,412,629
1233	SAC	Wells Fargo	\$155,568,105	\$3,844,524	-	\$159,412,629
1237	RAI	GECAS	-	-	\$7,732,217	\$7,732,217
1235	RAI	Wells Fargo	-	-	\$7,732,217	\$7,732,217

7. Pursuant to the EJET Rejection Order, the deadline to file claims with respect to rejection damages on the EJET Aircraft is November 30, 2016.

2. See Order Pursuant to 11 U.S.C. § 365(a) and Fed. R. Bankr. P. 6006 Authorizing Debtors to Reject Certain Aircraft and Engine Leases with GECAS (ECF No. 691), dated June 17, 2016. Republic and GECAS agreed to use their reasonable best efforts to enter into a stipulation fixing the claims against the applicable Debtors arising from the rejection of the ERJ Leases and return of the ERJ Equipment in the 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 (the “1110(b) Stipulation,” ECF No. 551).

3. See Order Pursuant to 11 U.S.C. § 365(a) and Fed. R. Bankr. P. 6006 Authorizing Debtors to Reject Certain Aircraft and Engine Leases with GECAS (the “EJET Rejection Order,” ECF No. 1135), dated October 21, 2016.

Jurisdiction

8. 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.

The Claims Stipulation

9. On October 27, 2016, Republic and GECAS entered the *Stipulation for Settlement of Claims Between the Debtors and GECAS* (the “Claims Stipulation,” attached to the proposed Order as Exhibit 1) fixing GECAS’s aggregate rejection damages claims with respect to the ERJ Aircraft, ERJ Engines, and EJET Aircraft in the amounts and against the Debtors set forth in Schedule 3 to the Claims Stipulation (the “Allowed Claims”). The Allowed Claims are composed of:

- i. approximately \$ [REDACTED] million in lost rent on the EJET Aircraft, calculated as [REDACTED]
- ii. approximately \$ [REDACTED] million with respect to lease return conditions on the EJET Aircraft;
- iii. approximately \$ [REDACTED] million in lost rent on the ERJ Aircraft, calculated as [REDACTED]
- iv. approximately \$ [REDACTED] million with respect to lease return conditions on the ERJ Aircraft;
- v. approximately \$ [REDACTED] million with respect to lost rent on the ERJ Engines, [REDACTED]; and
- vi. approximately \$ [REDACTED] million with respect to return conditions on the ERJ Engines.

Relief Requested

10. By this motion, Republic seeks entry of an order, substantially in the form annexed hereto, pursuant to section 105(a) of the Bankruptcy Code and Rule 9019(a) of the Federal Rules of Bankruptcy Procedures allowing the Allowed Claims and approving the Claims Stipulation.

Basis for Relief

I. Resolution of the GECAS Claims is Fair and Equitable, Reasonable, and In the Best Interests of the Estates.

11. To approve a compromise or settlement under Bankruptcy Rule 9019(a), the Court should find that the compromise or settlement is fair and equitable, reasonable, and in the best interests of the debtor's estate. *See, e.g., In re Ionosphere Clubs, Inc.*, 156 B.R. 414, 426 (S.D.N.Y. 1993), *aff'd*, 17 F.3d 600 (2d Cir. 1994). In determining whether to approve the settlement, the Court must make an independent determination that the settlement is fair and reasonable. *Nellis v. Shugrue*, 165 B.R. 115, 122-23 (S.D.N.Y. 1994). The Court may consider the opinions of the trustee or debtor in possession that the settlement is fair and reasonable. *Id.*; *In re Purofied Down Prods. Corp.*, 150 B.R. 519, 522 (S.D.N.Y. 1993). In addition, the Court may exercise its discretion "in light of the general public policy favoring settlements." *In re Hibbard Brown & Co.*, 217 B.R. 41, 46 (Bankr. S.D.N.Y. 1998); *see also Nellis v. Shugrue*, 165 B.R. at 123 ("[T]he general rule [is] that settlements are favored and, in fact, encouraged by the approval process.").

12. In determining whether to approve a proposed settlement, the Court need not decide the numerous issues of law and fact raised by the settlement, but rather should "canvass the issues and see whether the settlement falls below the lowest point in the range of reasonableness." *In re W.T. Grant Co.*, 699 F.2d 599, 608 (2d Cir. 1983) (internal quotations

omitted); *see also In re Purofied Down Prods.*, 150 B.R. at 522 (“[T]he court need not conduct a ‘mini-trial’ to determine the merits of the underlying litigation.”). “The ‘reasonableness’ of [a] settlement depends upon all factors, including probability of success, the length and cost of the litigation, and the extent to which the settlement is truly the product of ‘arms-length’ bargaining, and not fraud or collusion.” *In re Ionosphere Clubs, Inc.*, 156 B.R. at 428.

13. Republic believes, in its reasonable business judgment, that the proposed settlement with GECAS is in the best interests of its estates and creditors, and constitutes an efficient and cost-effective method for resolving the claims between GECAS and the Debtors. Republic submits that it would have been difficult to achieve resolution of the claims between GECAS and the Debtors on better terms than those provided in the proposed settlement. GECAS asserted significantly larger claims against Republic’s estates. The proposed settlement will avoid the significant time and resources the Debtors otherwise would have to expend on resolving the claims, and provides much-needed certainty.

14. The proposed settlement of claims is the product of extensive negotiations between Republic and GECAS. Republic and GECAS each have been represented by sophisticated advisors, including highly respected legal counsel. The negotiations have been hard fought but have been pursued in good faith and at arm’s length by all parties.

15. For these reasons, Republic submits that the proposed settlement is in the best interest of its estates and stakeholders, far exceeds the lowest point of the range of reasonableness, and thus the Court should approve the Claims Stipulation.

Notice

16. 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, 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.

17. 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
October 27, 2016

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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

**ORDER PURSUANT TO 11 U.S.C. § 105(a) AND FED. R.
BANKR. P. 9019(a) APPROVING STIPULATION FOR SETTLEMENT
OF CLAIMS BETWEEN THE DEBTORS AND GECAS**

A hearing having been held on November 17, 2016 (the “Hearing”), to consider the motion, dated October 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 105(a) of the Bankruptcy Code and rule 9019(a) of the Federal Rules of Bankruptcy Procedure, for entry of an order approving the Stipulation for Settlement of Claims entered into by and between the Debtors and the Claimants named therein on October 27, 2016 (the “Stipulation,” annexed hereto as Exhibit 1), 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

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 Stipulation.

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 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 the Stipulation is hereby approved in its entirety; and it is further

ORDERED that the Allowed Claims shall be finally allowed as general unsecured claims against the applicable Debtors pursuant to the Stipulation and, except as set forth in the proviso in Paragraph 1(a) of the Stipulation, shall be binding on the applicable Debtors' estates, including any chapter 7 trustee in the event these chapter 11 cases are converted to chapter 7 cases, and all parties in interest, and shall not be subject to any defense, objection, subordination, recharacterization, or other challenge, in these chapter 11 cases and in the event these chapter 11 cases are converted to chapter 7 cases; and it is further

ORDERED that the Debtors' court-appointed claims and noticing agent is authorized and directed to modify the Debtors' official claims registry to reflect the relief provided herein and in the Stipulation; and it is further

ORDERED that the Motion satisfies rules 2002 and 9019 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
_____, 2016

Honorable Sean H. Lane
United States Bankruptcy Judge

EXHIBIT 1

**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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**STIPULATION FOR SETTLEMENT OF CLAIMS
BETWEEN THE DEBTORS AND GECAS**

Republic Airways Holdings Inc. and certain of its wholly-owned direct and indirect subsidiaries and the other above-captioned debtors and debtors-in-possession (collectively, the “Debtors”), GE Capital Aviation Services LLC (“GECAS”), Wells Fargo Bank Northwest, National Association (“Wells Fargo”) and the other entities party to certain financing and lease agreements discussed herein (collectively with GECAS and Wells Fargo, the “Claimants”) stipulate and agree as follows:

A. On February 25, 2016 (the “Commencement Date”), each of the Debtors filed voluntary petitions for relief under chapter 11 of title 11 of the United States Code (the “Bankruptcy Code”). The Debtors are operating their business and managing their properties as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code.

B. On April 25, 2016, the Debtors, the Claimants and other entities entered into that certain *Stipulation and Order Approving Section 1110(b) Extension for GECAS Leased and*

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.

Financed Aircraft, which was so ordered by the Court on May 10, 2016 [ECF No. 551] (as amended on June 24, 2016 [ECF No. 716], July 29, 2016 [ECF No. 849], and August 12, 2016 [ECF Nos. 885 and 886], the “1110(b) Stipulation”).

C. On May 31, 2016, the Debtors filed the *Debtors’ Motion for an Order Pursuant to 11 U.S.C. § 365(a) and Fed. R. Bankr. P. 6006 Authorizing Debtors to Reject Certain Aircraft and Engine Leases With GECAS* [ECF No. 617] (the “Motion to Reject ERJ Leases”). On June 17, 2016, the Court entered the *Order Pursuant to 11 U.S.C. § 365(a) and Fed. R. Bankr. P. 6006 Authorizing Debtors to Reject Certain Aircraft and Engine Leases With GECAS* [ECF No. 691] (the “ERJ Lease Rejection Order”). Pursuant to the ERJ Lease Rejection Order, the Debtors rejected certain financing and lease agreements (the “ERJ Aircraft Agreements”) with respect to the aircraft equipment and spare engines identified on Schedule 1 attached hereto (the “ERJ Aircraft Equipment”).

D. On September 30, 2016, the Debtors filed the *Debtors’ Motion for an Order Pursuant to 11 U.S.C. § 365(a) and Fed. R. Bankr. P. 6006 Authorizing Debtors to Reject Certain Aircraft and Engine Leases With GECAS* [ECF No. 1058] (the “Motion to Reject EJET Leases”). On October 21, 2016, the Court entered the *Order Pursuant to 11 U.S.C. § 365(a) and Fed. R. Bankr. P. 6006 Authorizing Debtors to Reject Certain Aircraft and Engine Leases With GECAS* [ECF No. 1135] (the “EJET Lease Rejection Order”). Pursuant to the EJET Lease Rejection Order, the Debtors rejected certain financing and lease agreements (the “EJET Aircraft Agreements,” and together with the ERJ Aircraft Agreements, the “Returned Aircraft Agreements”) with respect to the aircraft equipment and spare engines identified on Schedule 2 attached hereto (the “EJET Aircraft Equipment,” and together with the ERJ Aircraft Equipment, the “Returned Aircraft Equipment”).

E. On July 22, 2016, the Claimants filed proof of claims assigned claim numbers 1233, 1235, 1236, 1237, 1238 and 1239 (collectively, the “Asserted Claims”).

Subject to satisfaction of the conditions precedent in Paragraph 4, this stipulation (this “Stipulation”), the Debtors and Claimants have agreed to settle and fix the amount of claims against the applicable Debtors arising from rejection of the Returned Aircraft Agreements.

NOW THEREFORE, for good and valuable consideration, the adequacy of which is hereby acknowledged, and based upon the mutual agreements and covenants set forth in this Stipulation, and for good and sufficient cause, the Debtors and the Claimants hereby stipulate and agree as follows:

1. Upon satisfaction of the conditions precedent in Paragraph 4:
 - a. the Debtors, on behalf of themselves and their estates, and Claimants agree that the applicable Claimant shall have allowed general unsecured claims in the amounts set forth in Schedule 3 hereto against the Debtors set forth in Schedule 3 hereto (the “Allowed Claims”); *provided*, however, that the Allowed Claims shall be reduced to the extent that the applicable Claimant receives or has received payment(s) on account of the Asserted Claims from any party or parties other than the Debtors and their estates and such party or parties has an allowed claim against the Debtors with respect to such amounts paid to the applicable Claimant. If the Claimants and another party asserts such a duplicative claim, the Court shall determine (or the parties may agree upon) the rightful holder of the claim or duplicative portion thereof;
 - b. the Debtors, on behalf of themselves and their estates, except to the extent set forth in Paragraph 1(a) hereto, waive and release the Claimants of any

defenses or counterclaims to the Allowed Claims, any rights to set off against the Allowed Claims, any claims for subordination or recharacterization of the Allowed Claims, or any similar or analogous claim or defense with respect to the Allowed Claims, in each case, under any provision of the Bankruptcy Code and any other applicable law and/or equity;

- c. the Claimants waive any claims for administrative expense or priority status with respect to the Allowed Claims or the benefit of any liens or security interests securing the Allowed Claims; and
- d. except as expressly provided in paragraph 3 hereto, all claims of the Claimants arising under the Returned Aircraft Agreements or related to the Returned Aircraft Equipment asserted or that could have been asserted by Claimants (including without limitation the Asserted Claims), shall be fully and finally compromised pursuant to the terms of this Stipulation, and the Claimants shall neither have nor assert any other claims against the Debtors or their estates arising under the Returned Aircraft Agreements or related to the Returned Aircraft Equipment.

2. The Debtors shall seek approval of this Stipulation as soon as reasonably practicable, and in any event no later than five (5) business days after entry into this Stipulation (unless the Debtors and the Claimants mutually agree in writing to a longer period of time), pursuant to a motion in form and substance reasonably acceptable to the Claimants (the "Motion"). The Debtors shall use their commercially reasonable efforts to obtain Bankruptcy Court approval of this Stipulation as soon as reasonably practicable. Subject to Paragraph 4, the Debtors shall not withdraw the Motion and shall use their commercially reasonable efforts to

obtain a final and non-appealable order in form and substance reasonably acceptable to the Claimants approving this Stipulation.

3. The Debtors represent that they are not aware of any liens or security interests on any Returned Aircraft Equipment. To the extent any such liens or security interests exist, the Debtors and the Claimants agree to cooperate in good faith to procure the release of such liens or security interests at the sole cost and expense of the Claimants. The Claimants may assert solely general unsecured claim(s) against the applicable Debtor(s) with respect to any reasonable amounts paid by the Claimants to procure the release of such liens or security interests.

4. This Stipulation is subject to and effective upon (a) entry of an order approving this Stipulation becoming a final and unappealable order and (b) with respect to claims arising under the EJET Aircraft Agreements only, written consent to this Stipulation by Embraer S.A. in form and substance acceptable to the Claimants (the "Embraer Consent"). The Claimants shall use their commercially reasonable efforts to obtain the Embraer Consent before November 17, 2016; *provided* that to the extent such Embraer Consent is not obtained before November 17, 2016, the Claimants and the Debtors shall withdraw the Motion and this Stipulation shall be of no further force or effect, unless the Claimants and the Debtors agree to adjourn the hearing on the Motion.

5. This Stipulation shall be binding upon and inure to the benefit of the Debtors, their estates and the Claimants, as well as their respective heirs, representatives, predecessors, successors and assigns, as the case may be. This Stipulation shall be binding on any official committee, trustee or examiner appointed in the Debtors' chapter 11 cases and on all other creditors and parties in interest in the Debtors' chapter 11 cases. This Stipulation shall remain

binding on the Debtors' estates and any chapter 7 trustee in the event that the Debtors' chapter 11 cases are converted to chapter 7 cases.

6. No amendment or waiver of any provision of this Stipulation shall be effective unless the same shall be in writing and signed by the parties hereto, and then such amendment, waiver or consent shall be effective only in the specific instance and for the specific purpose for which given.

7. Each of the undersigned parties represents that the individual signing on its behalf has the full authority to do so, and to bind the undersigned to the terms and conditions of this Stipulation.

8. This Stipulation may be executed in counterparts, any of which may be transmitted by facsimile, and each of which should be deemed an original and all of which together shall constitute one and the same instrument.

9. This Stipulation shall be governed by and construed in accordance with the laws of the State of New York, without regard to conflicts of laws principles.

10. The Bankruptcy Court shall retain jurisdiction over the interpretation, implementation and enforcement of the terms of the Stipulation.

11. The rights of the Debtors, the Claimants and their respective affiliates with respect to agreements other than the Returned Aircraft Agreements ("Other Agreements") among such parties are fully reserved and shall not be modified by this Stipulation, including, without limitation, rights with respect to (i) the 1110(b) Stipulation and (ii) claims arising under such Other Agreements and liens and security interests securing such claims. The Debtors acknowledge and agree that (a) any rights or remedies under the Other Agreements, including, without limitation, with respect to known or unknown defaults or events of default, are not

waived, and (b) no oral representation or course of dealing or conduct on the part of the Claimants, their affiliates or any of their respective officers, employees, or agents, and no failure or delay with respect to the exercise of any right, power, privilege, or remedy under the Other Agreements or applicable law, and/or equity shall operate as a waiver thereof, and the single or partial exercise of any such right, power, privilege, or remedy shall not preclude any later exercise of any other right, power, privilege, or remedy.

12. Except for the 1110(b) Stipulation, this Stipulation contains the entire agreement between the Claimants and the Debtors as to the subject matter hereof, and all understandings, agreements, and communications prior to the date hereof, whether express or implied, oral or written, relating to the subject matter hereof are fully and completely extinguished and superseded by this Stipulation.

13. Unless otherwise specifically provided herein, all notices required or permitted by this Stipulation shall be in writing, and any such notice shall become effective upon receipt by the addressee of such notice by certified mail (return receipt requested), overnight courier service, electronic mail, or facsimile to the following addresses:

(a) If to the Debtors:

Zirinsky Law Partners PLLC
375 Park Avenue, Suite 2607
New York, New York 10152
Attn: Bruce R. Zirinsky, Esq., Sharon J. Richardson, Esq., and
Gary D. Ticoll, Esq.
bzirinsky@zirinskylaw.com
srichardson@zirinskylaw.com
gticoll@zirinskylaw.com

-and-

Hughes Hubbard & Reed LLP
One Battery Park Plaza

New York, New York 10004
Attn: Christopher K. Kiplok Esq., John K. Hoyns, Esq. and
Gabrielle Glemann, Esq.
chris.kiplok@hugheshubbard.com
John.hoyns@hugheshubbard.com
gabrielle.glemann@hugheshubbard.com

(b) If to the Claimants:

GE Capital Aviation Services LLC
901 Main Avenue, 4th Floor
Norwalk, Connecticut 06851
Attn: Contracts Leader
Fax: +1 (203) 961-9311

With a copy to its counsel:

Latham & Watkins LLP
885 Third Avenue
New York, New York 10022
Attn: Peter M. Gilhuly, Esq., Adam J. Goldberg, Esq., and Marc A. Zelina, Esq.
peter.gilhuly@lw.com
adam.goldberg@lw.com
marc.zelina@lw.com

[SIGNATURES APPEAR ON NEXT PAGE]

Dated: New York, New York
October 27, 2016


/s/ Gary D. Ticoll
Bruce R. Zirinsky
Sharon J. Richardson
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*Attorneys for the Debtors and Debtors in
Possession*

Dated: October 27, 2016

LATHAM & WATKINS LLP, as counsel to
and on behalf of GE CAPITAL AVIATION
SERVICES LLC, AFS INVESTMENTS I,
INC., SILVERMINE RIVER FINANCE
TWO, INC., AFS INVESTMENTS 75 INC.,
FAN ENGINE SECURITIZATION LTD.,
BLADE ENGINE SECURITIZATION LTD.,
AFS INVESTMENTS XI, INC., AFS
INVESTMENTS XIII, INC., SAL
INVESTMENTS 2 LLC, AFS INVESTMENTS
69, INC., AFS INVESTMENTS 73 LLC

By: 

Peter M. Gilhuly
Adam J. Goldberg
Marc A. Zelina
LATHAM & WATKINS LLP
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(212) 906-1200
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adam.goldberg@lw.com
marc.zelina@lw.com

Dated: October 27, 2016

WELLS FARGO BANK NORTHWEST
NATIONAL ASSOCIATION As Trustee

By: 

DeAnn Madsen
Vice President

SCHEDULE 1

Returned ERJ Aircraft Equipment

AIRCRAFT PARTIES	AIRCRAFT FAA REG. NO.	AIRCRAFT MSN/ ENGINE ESN
Wells Fargo Bank Northwest, National Association (“Wells Fargo”) AFS Investments I, Inc.	N265SK	145226
AFS Investments I, Inc. Wells Fargo	N267SK	145268
AFS Investments I, Inc. Wells Fargo	N268SK	145270
AFS Investments I, Inc. Wells Fargo	N269SK	145293
AFS Investments I, Inc. Wells Fargo	N270SK	145304
AFS Investments I, Inc. Wells Fargo	N271SK	145305
AFS Investments I, Inc. Wells Fargo	N272SK	145306
AFS Investments I, Inc. Wells Fargo	N273SK	145331
AFS Investments I, Inc. Wells Fargo	N274SK	145344
AFS Investments I, Inc. Wells Fargo	N275SK	145345
AFS Investments I, Inc. Wells Fargo	N276SK	145348
AFS Investments I, Inc. Wells Fargo	N277SK	145355
AFS Investments I, Inc. Wells Fargo	N278SK	145370
AFS Investments I, Inc. Wells Fargo	N279SK	145379
AFS Investments I, Inc. Wells Fargo	N280SK	145381
AFS Investments I, Inc. Wells Fargo	N281SK	145391
AFS Investments I, Inc. Wells Fargo	N289SK	145463
AFS Investments I, Inc. Wells Fargo	N290SK	145474
AFS Investments I, Inc. Wells Fargo	N291SK	145486
AFS Investments I, Inc. Wells Fargo	N294SK	145497
AFS Investments I, Inc. Wells Fargo	N293SK	145500

AIRCRAFT PARTIES	AIRCRAFT FAA REG. NO.	AIRCRAFT MSN/ ENGINE ESN
AFS Investments I, Inc. Wells Fargo	N298SK	145508
Silvermine River Finance Two, Inc. Wells Fargo	N295SK	145513
Silvermine River Finance Two, Inc. Wells Fargo	N296SK	145514
Silvermine River Finance Two, Inc. Wells Fargo	N370SK	145515
Silvermine River Finance Two, Inc. Wells Fargo	N297SK	145522
Silvermine River Finance Two, Inc. Wells Fargo	N299SK	145532
Silvermine River Finance Two, Inc. Wells Fargo	N371SK	145535
AFS Investments 75 Inc. Wells Fargo		CAE311908
AFS Investments 75 Inc. Wells Fargo		CAE311794
AFS Investments 75 Inc. Wells Fargo		CAE311635
AFS Investments 75 Inc. Wells Fargo		CAE311206
AFS Investments 75 Inc. Wells Fargo		CAE311434
FAN Engine Securitization Ltd Wells Fargo		CAE312096
FAN Engine Securitization Ltd Wells Fargo		CAE312071
Blade Engine Securitization Ltd Wells Fargo		CAE312169
Blade Engine Securitization Ltd Wells Fargo		CAE312293

SCHEDULE 2

Returned EJET Aircraft Equipment

AIRCRAFT PARTIES	AIRCRAFT FAA REG. NO.	AIRCRAFT MSN
AFS Investments XI, Inc. Wells Fargo	N801MA	17000012
AFS Investments XI, Inc. Wells Fargo	N802MD	17000013
AFS Investments XI, Inc. Wells Fargo	N803MD	17000015
AFS Investments XI, Inc. Wells Fargo	N804MD	17000016
AFS Investments XIII, Inc. Wells Fargo	N808MD	17000021
AFS Investments XIII, Inc. Wells Fargo	N811MD	17000028
AFS Investments XIII, Inc. Wells Fargo	N812MD	17000030
SAL Investments 2 LLC Wells Fargo	N813MA	17000031
SAL Investments 2 LLC Wells Fargo	N814MD	17000033
SAL Investments 2 LLC Wells Fargo	N816MA	17000037
AFS Investments XIII, Inc. Wells Fargo	N817MD	17000038
AFS Investments XIII, Inc. Wells Fargo	N819MD	17000040
AFS Investments 69, Inc. Wells Fargo	N820MD	17000041
AFS Investments 69, Inc. Wells Fargo	N822MD	17000043
AFS Investments 73 LLC Wells Fargo	N827MD	17000047
SAL Investments 2 LLC Wells Fargo	N828MD	17000048
AFS Investments 73 LLC Wells Fargo	N829MD	17000049

SCHEDULE 3

Claim No.	Debtor	Claimant	Total Allowed Claim
1238	RAH	GE Capital Aviation Services LLC	\$112,318,939
1239	RAH	Wells Fargo Bank Northwest, National Association	\$0
1236	SAC	GE Capital Aviation Services LLC	\$52,318,939
1236	SAC	FAN Engine Securitization Ltd	\$374,618
1236	SAC	Blade Engine Securitization Ltd	\$1,079,632
1233	SAC	Wells Fargo Bank Northwest, National Association	\$0
1237	RAI	GE Capital Aviation Services LLC	\$60,000,000
1235	RAI	Wells Fargo Bank Northwest, National Association	\$0