

**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. § 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 28, 2016 (the “Hearing”), to consider the motion, dated October 27, 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 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

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<sup>1</sup>. 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.

<sup>2</sup>. 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  
November 29, 2016

/s/ Sean H. Lane  
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.<sup>1</sup>** : **(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*

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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.

*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  
Gary D. Ticoll  
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(212) 837-6000  
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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  
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Dated: October 27, 2016

WELLS FARGO BANK NORTHWEST  
NATIONAL ASSOCIATION As Trustee

By:   
\_\_\_\_\_  
**DeAnn Madsen**  
**Vice President**

**SCHEDULE 1**

**Returned ERJ Aircraft Equipment**

<b>AIRCRAFT PARTIES</b>	<b>AIRCRAFT FAA REG. NO.</b>	<b>AIRCRAFT MSN/ ENGINE ESN</b>
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



<b>AIRCRAFT PARTIES</b>	<b>AIRCRAFT FAA REG. NO.</b>	<b>AIRCRAFT MSN/ ENGINE ESN</b>
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**

<b>AIRCRAFT PARTIES</b>	<b>AIRCRAFT FAA REG. NO.</b>	<b>AIRCRAFT MSN</b>
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**

<b>Claim No.</b>	<b>Debtor</b>	<b>Claimant</b>	<b>Total Allowed Claim</b>
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