

**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 PURSUANT TO 11 U.S.C. §§ 363(b) AND 365(a) AND FED. R.
BANKR. P. 6004, 6006 AND 9019 AUTHORIZING DEBTORS TO (I) ENTER INTO
SETTLEMENT AGREEMENT WITH BOMBARDIER INC., LEARJET, INC. AND
C SERIES AIRCRAFT LIMITED PARTNERSHIP AND (II) ASSUME PURCHASE
AGREEMENT, AS AMENDED, WITH BOMBARDIER INC.**

A hearing having been held on December 8, 2016 (the "Hearing"), to consider the motion, dated October 20, 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) of the Bankruptcy Code and rules 6004, 6006 and 9019 of the Federal Rules of Bankruptcy Procedure, for authorization to (i) enter into a Settlement Agreement with Bombardier Inc., Learjet, Inc. and C Series Aircraft Limited Partnership, (ii) enter into and perform all obligations under CCO No. 3, (iii) assume the Restructured Purchase Agreement, and (iv) allow to Bombardier the Allowed Claims, each 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

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.

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) ("CMO"), and it appearing that no other or further notice need be given; and the Court having considered the Motion, the papers in support thereof, the Bedford Declaration, and all of the proceedings had before the Court; and the appearances of all interested parties having been noted in the record of the Hearing; and after due deliberation and sufficient cause appearing therefor, and for reasons stated in the record of the Hearing;

IT IS HEREBY FOUND AND CONCLUDED that:

- A. The statutory predicates for the relief requested in the Motion is sections 363 and 365 of the Bankruptcy Code and Bankruptcy Rules 6004, 6006 and 9019.
- B. Proper, timely, adequate and sufficient notice of the Motion has been provided in accordance with the Bankruptcy Code, the Bankruptcy Rules, the Local Bankruptcy Rules and the CMO, and no other or further notice of the Motion or the entry of this Order shall be required.
- C. Based on the record before the Court, the Debtors have demonstrated good and sufficient reasons for the Court to approve the Motion.
- D. Neither Bombardier, its affiliates, nor their respective representatives is an "insider" of any of the Debtors as that term is used in section 101(31) of the Bankruptcy Code.
- E. The entry into the Settlement Agreement, CCO No. 3 and the transactions contemplated therein, and entry of this Order is in the best interests of the Debtors' estates and creditors.

F. The Settlement Agreement and CCO No. 3 were negotiated, proposed and entered into by the parties in good faith, from arms' length bargaining positions and without collusion or fraud.

G. Sound business reasons have been articulated for entering into the Settlement Agreement and CCO No. 3 and the transactions contemplated therein and it is a sound exercise of business judgment to enter into and perform under the Settlement Agreement and CCO No. 3, and consummate the transactions contemplated thereby.

H. Bombardier is consenting to the assumption of the Restructured Purchase Agreement and thus, no adequate assurance of future performance by Republic is required under section 365(b) of the Bankruptcy Code.

I. Each of the foregoing findings by the Court will be deemed a finding of fact if and to the full extent that it makes and contains factual findings and a conclusion of law if and to the full extent that it makes legal conclusions.

IT IS HEREBY ORDERED that:

1. The Motion is hereby granted as provided herein, and the Settlement Agreement is approved in its entirety. To the extent any objections or reservations of rights to the Motion have not been withdrawn or resolved by this Order, they are overruled in all respects on the merits.

2. Pursuant to section 363(b) of the Bankruptcy Code, (i) CCO No. 3 and the Settlement Agreement are hereby approved, (ii) RAH is authorized to enter into the CCO No. 3 and to perform all obligations thereunder, and (iii) RAH and Republic Airline are authorized to enter into the Settlement Agreement and to perform all obligations thereunder.

3. Pursuant to section 365(a) of the Bankruptcy Code, the Restructured Purchase Agreement is hereby assumed effective upon entry of this Order.

4. Bombardier is hereby granted (i) an allowed general unsecured claim in the amount of \$1,523,662.80 against Republic Airline and (ii) an allowed administrative claim in the amount of \$700,000 against Republic Airline, which claims (a) shall be in full settlement, satisfaction, release and discharge of all pre- and post-petition claims of the Bombardier Parties in the chapter 11 cases and (b) shall not be subject to challenge, reduction or offset for any reason. The allowed administrative claim shall be paid within 14 days of the entry of this Order.

5. The settlement provided in the Settlement Agreement on the terms described herein is fair and reasonable.

6. The proofs of claim filed by Bombardier, Inc. and Learjet, Inc. in the chapter 11 cases (including without limitation Claim Nos. 323, 338, 975 and 976) shall be deemed automatically amended to reflect the terms of this Order (and any claims in excess of such amounts shall be deemed to have been withdrawn), all without the need for any further action by any party and the Debtors' claims agent shall update the claims register in accordance with this Order.

7. Any person or entity that did not timely object to the Motion is deemed to consent to the relief granted herein.

8. Notwithstanding the provisions of Bankruptcy Rule 6004, this Order shall not be stayed for 14 days after the entry hereof, but shall be effective and enforceable immediately upon entry by this Court.

9. The Motion satisfies rules 2002, 6006 and 9019 of the Federal Rules of Bankruptcy Procedure.

10. This Court shall retain jurisdiction to hear and determine all matters arising from or related to this Order.

Dated: New York, New York

December 14, 2016

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