

**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. §§ 362, 363(b) AND 365(a) AND FED. R. BANKR. P. 6004, 6006 AND 9019 (I) APPROVING THE RESTRUCTURING AGREEMENTS WITH GENERAL ELECTRIC AND ITS AFFILIATES (II) AUTHORIZING THE DEBTORS TO ASSUME AMENDED MAINTENANCE AGREEMENT, AMENDED LETTER AGREEMENTS AND RELATED GENERAL TERMS AGREEMENT, (III) APPROVING ALLOWED CLAIM, AND (IV) GRANTING RELATED RELIEF

A hearing having been held on December 8, 2016 (the "Hearing"), to consider the motion, dated November 15, 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 362, 363(b) and 365(a) of the Bankruptcy Code and rules 6004, 6006 and 9019 of the Federal Rules of Bankruptcy Procedure, (i) approving the Restructuring Agreements with General Electric and its affiliates, (ii) authorizing the Debtors to assume the Restructured MCPH Agreement, Restructured Letter Agreements, and GTA, (iii) authorizing the Debtors to pay the Cure Amount to the GE Parties, (iv) approving the Allowed Claim, and (v) granting related relief, 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.

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.

§§ 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) ("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 362, 363, and 365 of the Bankruptcy Code and Bankruptcy Rules 6004, 6006, and 9019.
- B. The Motion satisfies Bankruptcy Rules 2002, 6004, 6006, and 9019.
- C. 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.
- D. Based on the record before the Court, the Debtors have demonstrated good and sufficient reasons for the Court to approve the Motion.
- E. Neither GE, 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.

F. The entry into the Restructuring Agreements and the transactions contemplated therein, and entry of this Order is in the best interests of the Debtors' estates and creditors.

G. The Restructuring Agreements were negotiated, proposed and entered into by the parties in good faith, from arms' length bargaining positions and without collusion or fraud.

H. Sound business reasons have been articulated for entering into the Restructuring Agreements and the transactions contemplated therein and it is a sound exercise of business judgment to enter into and perform under the Restructuring Agreements, and consummate the transactions contemplated thereby.

I. The GE Parties are consenting to the assumption of the Restructured MCPH Agreement, Restructured Letter Agreements and the GTA and thus, no adequate assurance of future performance by Republic is required under section 365(b) of the Bankruptcy Code.

J. 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. 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) the Restructuring Agreements are hereby approved and (ii) the Debtors are authorized to enter into and perform all obligations under the Restructuring Agreements.

3. The Debtors are authorized, pursuant to section 365(a) of the Bankruptcy Code, to assume the Restructured MCPH Agreement, Restructured Letter Agreements and the GTA.

4. The GE Parties are hereby granted an allowed general unsecured claim in the amount of \$10 million against RAH, which claim (a) shall be in full settlement, satisfaction, release and discharge of all pre- and post-petition claims of the GE Parties in the chapter 11 cases and (b) shall not be subject to challenge, reduction or offset for any reason.

5. The Debtors are authorized and shall pay to the GE Parties the Cure Amount of \$37 million within fifteen (15) days after the satisfaction of the conditions precedent in the Restructuring Letter Agreement.

6. The automatic stay arising pursuant to section 362(a) of the Bankruptcy Code is modified to the extent necessary to effect the application of the GEES Reserve as set forth in the Restructuring Letter Agreement.

7. 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.

8. The proofs of claim filed by the GE Parties in the chapter 11 cases (including without limitation the Asserted Claims) 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.

9. 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.

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