

**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 BETWEEN THE DEBTORS AND AMERICAN AIRLINES, INC.
TO PERMIT MODIFICATION OF AMERICAN’S BALLOTS ON THE DEBTORS’
PLAN OF REORGANIZATION UNDER CERTAIN CIRCUMSTANCES**

This Stipulation (this “Stipulation”) is entered into on the date hereof by and between Republic Airways Holdings Inc. and its debtor subsidiaries, as debtors and debtors in possession (collectively, the “Debtors” or “Republic”) and American Airlines, Inc. (“American”). The Debtors and American are referred herein as “Parties” and individually as a “Party”.

RECITALS

A. On December 19, 2016, the Debtors filed their *Second Amended Joint Plan of Reorganization Under Chapter 11 of the Bankruptcy Code* [ECF No. 1311] (the “Plan”).²

B. On December 23, 2016 the Bankruptcy Court entered the *Order Pursuant to 11 U.S.C. §§ 105(a), 1124, 1126 & 1128, Fed. R. Bankr. P. 2002, 3017, 3018 & 3020, and Local Bankruptcy Rules 3018-1 & 3020-1, (i) Approving Disclosure Statement, (ii) Establishing Solicitation and Voting Procedures, and (iii) Approving Form and Manner Of Notices* [ECF No. 1358] (the “Approval Order”).

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 used but not otherwise defined herein have the meanings ascribed to them in the Plan.

C. On February 8, 2017, the Debtors filed their *Notice of Filing of Plan Supplement in Connection with the Debtors' Second Amended Joint Plan of Reorganization Under Chapter 11 of the Bankruptcy Code* [ECF No. 1468] (the "Plan Supplement"). The Plan Supplement includes a form of the Amended Certificate of Incorporation, the Amended Bylaws and the Stockholders Agreement (collectively, the "Reorganized Governance Documents").

D. On February 10, 2017, the Bankruptcy Court entered the *Second Supplemental Order Rescheduling Hearing on Confirmation of Debtors' Second Amended Joint Plan of Reorganization and Related Deadlines* (the "Amended Scheduling Order"). Pursuant to the Amended Scheduling Order, the deadline to vote on the Plan was February 21, 2017. In accordance with the Approval Order, the Debtors have extended the voting deadline for American to February 24, 2017 at 4:00 p.m. (Eastern Time).

E. The Debtors operate in a highly regulated industry, and certain governmental approvals are required before the Plan will become effective. The process of obtaining such governmental approvals is ongoing, and various outcomes of that approval process could affect Delta's decision in voting on the Plan. Therefore, in order to preserve Delta's voting rights while allowing them to cast a timely vote, the Debtors have agreed to permit Delta to amend its Ballots if the Reorganized Governance Documents are amended as compared to the forms filed with the Plan Supplement, on the terms set forth in this Stipulation.

NOW, THEREFORE, in consideration of the mutual covenants set forth below, **IT IS HEREBY STIPULATED AND AGREED BY THE PARTIES HERETO THAT:**

STIPULATION

1. In the event any of the Reorganized Governance Documents are amended, supplemented or otherwise modified from the forms thereof filed with the Plan Supplement prior

to the Effective Date of the Plan without the written consent of American, or any order entered confirming the Plan effectuates any such amendment, supplement or modification to the Reorganized Governance Documents, then American shall be permitted by notice (including via email) to counsel to the Debtors and counsel to the Official Committee of Unsecured Creditors to revoke any previously cast Ballot and change its previously cast vote to a vote in favor of or against the Plan (such written notice, a "New Ballot").

2. Notwithstanding the Approval Order or the Amended Scheduling Order or any other order of the Bankruptcy Court, (i) any previously cast Ballot revoked in accordance with Paragraph 1 hereof shall be null and void *ab initio* and (ii) any New Ballot shall be given full force and effect as if it had been properly and timely submitted in accordance with the Approval Order, the Amended Scheduling Order and the Bankruptcy Rules.

3. If the submission of a New Ballot or any other amended Ballot permitted to be submitted by an order of the Bankruptcy Court causes Class 3(a) to reject the Plan, any order confirming the Plan shall be deemed automatically revoked.

4. Nothing herein affects any party's rights to change its vote as provided in Rule 3018 of the Federal Rules of Bankruptcy Procedure and applicable law.

5. This Stipulation shall become effective once it has been executed by the Parties or their respective counsel and so ordered by the Bankruptcy Court.

6. This Stipulation shall be binding upon and inure solely to the benefit of the Parties hereto and their respective successors and assigns.

7. No amendment, waiver or modification of any provision of this Stipulation shall be effective unless the same shall be in writing and signed by the Parties.

8. This Stipulation may be signed in counterparts which, when taken as a whole, shall constitute one and the same document; and faxed or electronic signatures shall be deemed originals.

9. Each individual signing this Stipulation on behalf of any Party hereto acknowledges and, with respect to his or her own signature below, warrants and represents that he or she is authorized to execute this Stipulation in his or her representative capacity with binding effect, as reflected below and on behalf of the Party indicated.

10. This Stipulation shall be governed by and shall be interpreted in accordance with the laws of the State of New York, except to the extent that the Bankruptcy Code applies, without regard to New York's rules governing conflict of laws.

11. The Bankruptcy Court shall have jurisdiction to interpret and enforce this Stipulation and the Parties consent to the jurisdiction of the Bankruptcy Court with respect to the interpretation and enforcement of this Stipulation.

Dated: New York, New York
February 23, 2017

*Signature Page to Stipulation Between the Debtors and American Airlines, Inc. to Permit
Modification of American's Ballots on the Debtors' Plan of Reorganization Under Certain
Circumstances*

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*Attorneys for the Debtors and Debtors in
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SO ORDERED this **23rd** day of **February** 2017

/s/ Sean H. Lane
UNITED STATES BANKRUPTCY JUDGE