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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-_____ (___)**
Debtors.¹ : **(Joint Administration Pending)**

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**DEBTOR’S MOTION FOR ENTRY OF AN ORDER AUTHORIZING
THE DEBTORS TO (i) ENTER INTO AGREEMENTS UNDER 11 U.S.C. § 1110(a),
(ii) ENTER INTO STIPULATIONS TO EXTEND THE TIME TO COMPLY WITH
11 U.S.C. § 1110, AND (iii) FILE REDACTED SECTION 1110 ELECTION NOTICES
AND SECTION 1110(b) STIPULATIONS**

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.

TO THE HONORABLE 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 the date hereof (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, examiner, or statutory committee of unsecured creditors has been appointed in these cases.

2. Contemporaneously herewith, the Debtors have filed a motion requesting joint administration of their chapter 11 cases for procedural purposes only pursuant to Fed. R. Bankr. P. 1015(b).

Republic’s Business

3. RAH is a holding company whose common stock is traded on the NASDAQ under the symbol “RJET.” RAH provides scheduled regional passenger services through its wholly-owned operating air carrier subsidiaries, Shuttle America Corporation (“Shuttle America”) and Republic Airline Inc. (“Republic Airline”). Republic offers approximately 1,000 flights daily to 105 cities in 38 states, Canada, the Caribbean, and the Bahamas through Republic’s fixed-fee code-share agreements with United Continental Holdings, Inc. (“United”), Delta Air Lines, Inc. (“Delta”), and American Airlines Group, Inc. (“American,” and collectively with United and Delta, the “Codeshare Partners”), operating under the designations of United Express, Delta Connection, and American Eagle, including service out of

the Codeshare Partners' respective hubs and focus cities. Republic's operational fleet consists of approximately 230 aircraft.

4. As of January 31, 2016, on a consolidated basis, Republic had assets and liabilities of \$3,561,000,000 and \$2,971,000,000 (unaudited). For the year ended December 31, 2015, on a consolidated basis, Republic had operating revenue of \$1,343,900,000, operating expenses of \$1,259,200,000, and a net loss of \$27,117,000 (unaudited). In 2015, Republic carried 21,900,000 passengers an average of 479 miles per passenger, with a passenger load factor of 79.2%.

5. 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, filed with the Court on the Commencement Date.

Jurisdiction

6. The Court has jurisdiction over this matter under 28 U.S.C. §§ 157 and 1334. This is a core proceeding under 28 U.S.C. § 157(b). Venue is proper in this district under 28 U.S.C. §§ 1408 and 1409.

Relief Requested

7. Republic's operating fleet consists of 230 aircraft and a large amount of related equipment (collectively, the "Aircraft Equipment"). Substantially all of the Aircraft Equipment is subject to leases, subleases, financing arrangements, and other agreements (collectively, "Aircraft Agreements") including security agreements, operating leases, and subleases that may be subject to the provisions of section 1110 of the Bankruptcy Code.

8. Republic has been working intensively since the prepetition period to evaluate and optimize the size of its fleet for ongoing operations. As part of its reorganization

efforts, Republic has targeted significant cost savings and will seek to maximize the value of its estates by continuing its strategy of simplifying its operating fleet and transitioning out of its smaller regional jets.

9. In furtherance of these efforts, Republic seeks to continue to analyze the Aircraft Agreements in the context of its business strategy and operating needs and negotiate with the numerous parties having an interest in the Aircraft Equipment (the "Aircraft Parties"), while preserving important rights under the Bankruptcy Code. Accordingly, by this motion, Republic requests entry of an order, pursuant to section 1110 of the Bankruptcy Code and substantially in the form attached hereto, authorizing Republic to:

- (i) enter into agreements (each, an "1110 Agreement") to perform its respective obligations under Aircraft Agreements;
- (ii) make payments and take actions as may be necessary to cure defaults, if any, under Aircraft Agreements that are subject to 1110 Agreements (other than defaults of a kind specified in section 365(b)(2) of the Bankruptcy Code) and to retain the protection of the automatic stay with respect to Aircraft Equipment that is subject to 1110 Agreements;
- (iii) enter into stipulations (each stipulation, including any exhibits or schedules thereto, an "1110(b) Stipulation") with Aircraft Parties to extend the 60-day period set forth in section 1110(a)(2) of the Bankruptcy Code, and perform its obligations thereunder; and
- (iv) file redacted copies of the 1110 Election Notices (as defined below) and 1110(b) Stipulations pursuant to section 107(b) of the Bankruptcy Code and Fed. R. Bankr. P. 9018.²

Republic also requests approval of the procedures described below to implement the relief requested herein.

2. Attached hereto as Exhibit C is the Declaration of Ethan J. Blank (the "Blank Dec.") in support of the Motion.

Section 1110 of the Bankruptcy Code

10. Section 1110(a)(1) of the Bankruptcy Code provides certain aircraft lessors and lenders with rights to relief from the automatic stay:

[T]he right of a secured party with a security interest in equipment [of the type described in section 1110(a)(3)] . . . or of a lessor or conditional vendor of such equipment, to take possession of such equipment in compliance with a security agreement, lease, or conditional sale contract, and to enforce any of its other rights or remedies, under such security agreement, lease, or conditional sale contract, to sell, lease, or otherwise retain or dispose of such equipment, is not limited or otherwise affected by any other provision of this title or by any power of the court.

11. Section 1110(a)(2) of the Bankruptcy Code conditions the ability of such lessors and lenders to exercise their rights under section 1110(a)(1):

The right to take possession and to enforce the other rights and remedies described in paragraph (1) shall be subject to section 362 if –

(A) before the date that is 60 days after the date of the order for relief under this chapter, the trustee, subject to the approval of the court, agrees to perform all obligations of the debtor under such security agreement, lease, or conditional sale contract; and

(B) any default, other than a default of a kind specified in section 365(b)(2), under such security agreement, lease, or conditional sale contract –

(i) that occurs before the date of the order is cured before the expiration of such 60-day period;

(ii) that occurs after the date of the order and before the expiration of such 60-day period is cured before the later of –

(I) the date that is 30 days after the date of the default; or

(II) the expiration of such 60-day period

12. In addition, section 1110(b) provides that the 60-day period specified under section 1110(a) may be extended by agreement between Republic and the relevant Aircraft Parties:

The trustee and the secured party, lessor, or conditional vendor whose right to take possession is protected under subsection (a) may agree, subject to the approval of the court, to extend the 60-day period specified in subsection (a)(1).

13. Accordingly, Republic has two options to preserve the automatic stay beyond the sixtieth day after the Commencement Date for Aircraft Equipment that may be covered by section 1110 of the Bankruptcy Code: (i) on or before the fifty-ninth day after the Commencement Date, Republic may, subject to court approval, agree to perform all of its obligations under an Aircraft Agreement and timely cure any defaults thereunder, other than defaults of a kind specified in section 365(b)(2) of the Bankruptcy Code, or (ii) subject to Court approval, Republic and an Aircraft Party may enter into a stipulation to extend the 60-day period set forth in section 1110(a)(2) of the Bankruptcy Code.³

14. Republic's agreement to perform under section 1110(a) of the Bankruptcy Code is unilateral and does not require the consent of any Aircraft Party. *See* 11 U.S.C. § 1110(a)(2). However, Republic cannot unilaterally extend the 60-day period pursuant to section 1110(b) of the Bankruptcy Code. *See id.* § 1110(b). Republic's exercise of either option is subject to Court approval. *See id.* §§ 1110(a), (b).

15. In view of the large number of aircraft owned or leased by Republic, it will take a substantial amount of time to evaluate, and if necessary negotiate, definitive

3. Nothing herein shall be construed as an admission or concession that any Aircraft Party has rights under section 1110 of the Bankruptcy Code or that any Aircraft Equipment, including, without limitation, any airframe or related engines and equipment, is subject to section 1110 of the Bankruptcy Code. Republic expressly reserves all rights and defenses with respect thereto, except to the extent otherwise expressly provided in an 1110 Election Notice or an 1110(b) Stipulation (each as defined herein).

agreements with Aircraft Parties with respect to Aircraft Agreements. In many cases, Republic will require more than the 60-day period specified in section 1110 of the Bankruptcy Code.

Therefore, it is in Republic's best interests to exercise its rights under section 1110(a) of the Bankruptcy Code or seek 1110(b) Stipulations pursuant to the proposed procedures described below.

Proposed Procedures for Republic's Agreements
To Perform Under Section 1110(a) of the Bankruptcy Code

16. If Republic determines that it is in the best interests of its estates to perform under a particular Aircraft Agreement relating to specific Aircraft Equipment, Republic proposes to file with the Court a Notice of Election Pursuant to Section 1110(a) of the Bankruptcy Code, a form of which is attached hereto as Exhibit A (each such notice, including any exhibits or schedules thereto, an "1110 Election Notice") and serve the 1110 Election Notice on (i) in the case of leased Aircraft Equipment, to the extent known to Republic, the lessor, the beneficial owner of such Aircraft Equipment (if different) (collectively, the "Leased Aircraft Notice Parties") and their counsel; (ii) in the case of owned Aircraft Equipment, to the extent known to Republic, any mortgagee or security trustee that has a security interest in such Aircraft Equipment (the "Owned Aircraft Notice Parties") and their counsel; and (iii) counsel to the creditors' committee.

17. Each 1110 Election Notice shall constitute Republic's agreement, pursuant to section 1110 of the Bankruptcy Code, to perform all obligations that become due under the relevant Aircraft Agreement with respect to the Aircraft Equipment identified therein, as required by section 1110.

18. Schedule 1 to each 1110 Election Notice shall list (a) the applicable Leased Aircraft Notice Parties or the Owned Aircraft Notice Parties, as the case may be, and

(b) the U.S. Federal Aviation Administration Registration Number for each item of Aircraft Equipment that is the subject of such 1110 Election Notice. Schedule 1 shall also state the amount (the “Cure Amount”), if any, that Republic believes it must pay under the relevant Aircraft Agreement to comply with section 1110(a)(2)(B) of the Bankruptcy Code.

19. With respect to any Aircraft Agreement that is the subject of an 1110 Election, Republic shall cure any default under such Aircraft Agreement (other than a default of a kind specified in section 365(b)(2) of the Bankruptcy Code, as to which no cure is required), (i) in the case of any such default that occurred before the Commencement Date, on or before the 59th day after the Commencement Date, or within such other time frame as may be mutually agreed to by Republic and the relevant Aircraft Parties, (ii) in the case of any such default that occurred after the Commencement Date and before the expiration of the 60-day period provided under section 1110, on or before (x) the later of 30 days after the date of the default or the 60th day after the Commencement Date or (y) within such other time frame as may be mutually agreed to by Republic and the relevant Aircraft Parties, and (iii) in the case of any such default that occurs on or after the 60th day after the Commencement Date, such default shall be cured in compliance with the terms of the Aircraft Agreement with respect to such Aircraft Equipment, if such cure is permitted thereunder, or in such other manner as may be mutually agreed to by Republic and the relevant Aircraft Parties.

20. Any party in interest may object to an 1110 Election Notice or any Cure Amount specified therein by filing a written objection (an “1110(a) Objection”) on or before 4:00 p.m. prevailing Eastern Time on the date that is ten days after the date of the filing of the applicable 1110 Election Notice (the “1110(a) Objection Deadline”). An 1110(a) Objection shall be considered timely only if, on or before the 1110(a) Objection Deadline, it is (i) filed with the

Court, with a copy to Chambers and (ii) served upon: (a) the proposed 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 (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 Ramsey Chamie, Esq. (ramsey.chamie@hugheshubbard.com)), (b) the Office of the United States Trustee for the Southern District of New York, 33 Whitehall Street, 21st Floor, New York, New York 10004, and (c) counsel to the creditors' committee (collectively the "Notice Parties").

21. Any 1110(a) Objection must set forth with specificity (a) the party's interest in the affected Aircraft Equipment, if any, (b) the basis for the objection, (c) the provision(s) of the Aircraft Agreement or any other agreement under which the objecting party contends any uncured default exists, if any, and (d) the amount, if any, that the objecting party asserts as the Cure Amount, if different from that specified by Republic.

22. Unless the Court orders otherwise, upon the filing of an 1110 Election Notice on or before the 59th day after the Commencement Date (or any extension of such deadline pursuant to section 1110(b) of the Bankruptcy Code) and the timely payment of the Cure Amounts, if any, specified therein, (a) all defaults under the applicable Aircraft Agreement (other than defaults of a kind specified in section 365(b)(2) of the Bankruptcy Code as to which no cure is required) shall be deemed cured, (b) the 1110 Election Notice shall be deemed effective as of the date on which such 1110 Election Notice was filed (or as otherwise provided in such 1110 Election Notice), and (c) the 60-day period set forth in section 1110(a)(2) of the

Bankruptcy Code shall be deemed to have been extended with respect to the Aircraft Equipment identified therein.

23. If an 1110(a) Objection has been timely filed with respect to a specific item of Aircraft Equipment listed on Schedule 1 to an 1110 Election Notice and the dispute relating to such Aircraft Equipment is not resolved consensually among the parties within ten days after the date of the filing and service of such 1110(a) Objection, Republic shall schedule a hearing on the next available hearing date to consider the 1110(a) Objection only with respect to the particular Aircraft Equipment identified in such 1110(a) Objection, and the filing of such 1110(a) Objection shall not delay the effectiveness of the 1110 Election Notice with respect to any other Aircraft Equipment listed in the 1110 Election Notice for which no 1110(a) Objection is filed.

24. Republic submits that neither Republic's 1110 Agreement nor the 1110 Election Notice be deemed to constitute an assumption of any Aircraft Agreement under section 365 of the Bankruptcy Code (to the extent that such section is applicable). "[T]he trustee or debtor in possession is not required to assume the executory contract or unexpired lease under section 1110; rather, if the trustee or debtor in possession complies with the requirement of section 1110(a), the trustee or debtor in possession is entitled to retain the aircraft or vessels subject to the normal requirements of section 365." 124 Cong. Rec. H11, 102-03 (daily ed. Sept. 28, 1978). See *GATX Leasing Corp. v. Airlift Int'l Inc. (In re Airlift Int'l Inc.)*, 761 F.2d 1503, 1508 (11th Cir. 1985) ("While the section 1110 stipulation in this case bears resemblance to a section 365 assumption of an executory contract, the legislative history of section 1110 counsels that they are not identical."). Moreover, neither making an 1110 Agreement nor filing an 1110 Election Notice shall cause Republic to waive or impair its right to argue that any Aircraft

Agreement subject to an 1110(a) Election is not entitled to the protection of section 1110 of the Bankruptcy Code.

25. Local Bankruptcy Rule 6006-1(d) requires that “[u]nless the Court orders otherwise, a debtor in possession or trustee moving for approval of an agreement to perform all obligations of the debtor pursuant to section 1110(a)(1)(A) of the Bankruptcy Code shall seek to obtain a return date for the hearing on the motion that is within the sixty (60) days after the order for relief.” Republic requests that the Court waive the requirement of Local Bankruptcy Rule 6006-1(d) to the extent that the rule would otherwise require the scheduling of hearings with respect to all 1110 Agreements. Republic submits that in view of the large number of aircraft with respect to which action must be taken in the brief 60-day period provided under section 1110 of the Bankruptcy Code, such a requirement would be burdensome on both Republic and the Court and would not fulfill any useful purpose.

Proposed Procedures for Stipulations Under 11 U.S.C. 1110(b)

26. Republic believes that it is in the best interest of its estates and all economic parties in interest to attempt to reach agreements on the terms of new or modified Aircraft Agreements that are more closely aligned with current market conditions. Given the number of Aircraft Agreements that Republic may seek to renegotiate and the number of Aircraft Parties that may be involved in these negotiations, Republic is unlikely to complete this task in the 60-day period provided under section 1110 of the Bankruptcy Code.

27. For this reason, Republic requests authority to enter into 1110(b) Stipulations, which may be, but are not required to be, substantially in the form attached hereto as Exhibit B, in order to provide the parties with additional time to negotiate, document, and implement the terms of new or modified Aircraft Agreements.

28. Each 1110(b) Stipulation shall provide for an extension of the deadline established by section 1110 of the Bankruptcy Code (subject in some cases to further automatic extensions absent a written notice delivered by either party prior to the expiration of the extension period then in effect). In certain cases, the 1110(b) Stipulation may modify, either on an interim or permanent basis, certain terms of the relevant Aircraft Agreement. Each 1110(b) Stipulation shall make clear that it does not constitute an election or, except as set forth therein, an agreement by Republic to perform all of its obligations under the relevant Aircraft Agreement pursuant to section 1110(a) of the Bankruptcy Code or any other provision of the Bankruptcy Code. Each 1110(b) Stipulation shall further state that it does not constitute an assumption of the relevant Aircraft Agreement under section 365 of the Bankruptcy Code (to the extent that such section is applicable) and in no way restricts Republic's ability to later restructure such Aircraft Agreement or reject or abandon the Aircraft Equipment relating to such Aircraft Agreement.

29. A particular stipulation may vary from the form of stipulation attached hereto in order to reflect the unique characteristics (*e.g.*, age, model type, and maintenance history) of the relevant Aircraft Equipment or the differing requirements of the relevant Aircraft Parties. Republic shall communicate these variations to counsel to the Committee.

30. Promptly upon entering into an 1110(b) Stipulation, Republic shall file such 1110(b) Stipulation with the Court and serve notice on (i) in the case of leased Aircraft Equipment, to the extent known to Republic, the Leased Aircraft Notice Parties and their counsel; (ii) in the case of owned Aircraft Equipment, to the extent known to Republic, the Owned Aircraft Notice Parties and their counsel; and (iii) counsel to the creditors' committee.

31. Any party in interest may object to an 1110(b) Stipulation by filing a written objection (an "1110(b) Objection") on or before 4:00 p.m. prevailing Eastern Time on the

date that is ten days from the date of the filing of such 1110(b) Stipulation (the “1110(b) Objection Deadline”).

32. An 1110(b) Objection shall be considered timely only if, on or before the 1110(b) Objection Deadline, it is (i) filed with the Court, with a copy to Chambers, and (ii) served upon each of the Notice Parties. Any such 1110(b) Objection must set forth with specificity the basis for the objection and the objector’s interest in the affected Aircraft Equipment.

33. Unless the Court orders otherwise, upon the execution and filing of an 1110(b) Stipulation and timely performance of its obligations thereunder by Republic, (i) such 1110(b) Stipulation shall be deemed to be effective as of the date on which such 1110(b) Stipulation was filed (or as otherwise provided in the 1110(b) Stipulation) and (ii) the 60-day period set forth in section 1110(a)(2) of the Bankruptcy Code shall be deemed to have been extended with respect to the Aircraft Equipment identified therein for the period provided therein. If an 1110(b) Objection has been timely filed and the dispute relating to such 1110(b) Objection is not resolved consensually among the parties within ten days after the date of the filing and service of such 1110(b) Objection, Republic shall schedule a hearing on the next available hearing date to consider such 1110(b) Objection.

Filing Redacted 1110(a) Election Notices and 1110(b) Stipulations

34. Due to the confidential and sensitive commercial nature of the information that will be contained within the 1110(a) Election Notices and 1110(b) Stipulations, including, as applicable, the length of the extension agreed to, any payment obligations of Republic (including Cure Amounts) and any modifications to the applicable Aircraft Agreements (which will be redacted), but excluding the tail numbers for the airframe and serial numbers for the engines involved (which will not be redacted), and the commercial and competitive harm that disclosure

of this information could cause to Republic, Republic proposed to file and serve only redacted copies of the 1110 Election Notices and 1110(b) Stipulations pursuant to section 107(b) of the Bankruptcy Code and Fed. R. Bankr. P. 9018.

35. The relief sought by Republic is necessary to prevent the various Aircraft Parties from using the information contained within the 1110(a) Election Notices and 1110(b) Stipulations to gain an advantage over Republic in their ongoing negotiations through the disclosure of information relating to Republic's arrangements with other Aircraft Parties that they would not otherwise possess outside the bankruptcy context. Redacting the 1110 Election Notices and 1110(b) Stipulations is equally necessary to prevent Republic's competitors from using the information contained within these documents to gain a commercial advantage over Republic. By authorizing Republic to file redacted copies of these documents, the Court will permit Republic to maintain a level playing field in the highly competitive airline industry and in vital negotiations between Republic and the Aircraft Parties. The relief sought by Republic finds precedent in similar cases and circumstances.

36. Republic intends to provide unredacted copies of each 1110 Election Notice and 1110(b) Stipulation to counsel to the Committee, subject to appropriate restrictions to maintain the confidentiality of each such document. This procedure will permit the Committee to evaluate the implications of the 1110 Election Notices and 1110(b) Stipulations for Republic's estates and intended reorganization, without putting Republic at a competitive and negotiating disadvantage. Republic will also provide the Aircraft Parties that have an interest in the Aircraft Equipment that is the subject of an 1110 Election Notices with an unredacted copy of the relevant 1110 Election Notices, provided that the information in such 1110 Election Notice shall be subject to any confidentiality provision(s) in the relevant Aircraft Agreement(s).

37. Section 107(b) of the Bankruptcy Code clearly authorizes the Court to enter an order permitting Republic to file redacted copies of the 1110 Election Notices and 1110(b) Stipulations. It provides:

On request of a party in interest, the bankruptcy court shall . . .
(1) protect an entity with respect to a trade secret or confidential
research, development or commercial information

11 U.S.C. § 107(b). Rule 9018 of the Federal Rules of Bankruptcy Procedure likewise authorizes the Court to “protect the estate . . . in respect of a trade secret or other confidential research, development, or commercial information.”

38. To obtain an order of protection under section 107(b) of the Bankruptcy Code and Rule 9018 of the Federal Rules of Bankruptcy Procedure, Republic need only demonstrate that the information contained in the 1110 Election Notices and 1110(b) Stipulations is “commercial” and “confidential.” *Video Software Dealers Ass’n v. Orion Pictures Corp (In re Orion Pictures Corp.)*, 21 F.3d 24, 27 (2d Cir. 1994). Once the Court determines that the information sought to be protected is “commercial” and “confidential,” the Court is required under section 107(b) to issue a protective order. *See id.* (court has no discretion to deny request for protection of information that fits into any of the categories specified in section 107(b) (*citing 2 Collier on Bankruptcy* ¶ 107.01, at 107-2); *In re Global Crossing, Ltd.*, 295 B.R. 720, 723 n.7 (Bankr. S.D.N.Y. 2003) (“Court is required to grant [protective order] upon the motion of a party in interest, assuming the information is of the type listed in section 107(b)”). There is no requirement that Republic make any showing of good cause to obtain a protective order for confidential commercial information. *See Orion Pictures*, 21 F.3d at 28.

39. “[C]ommercial information that is entitled to protection under Code section 107(b) of the Bankruptcy Rule 9018 must be viewed from the practical perspective of damage to the estate or its creditors.” *Global Crossing*, 295 B.R. at 725 (*citing In re Farmland*

Indus., 290 B.R. 364 (Bankr. W.D. Mo. 2003)). For instance, information is protected under section 107(b) if its disclosure would confer “an unfair advantage to competitors by providing them information as to the commercial operations of the debtor.” *Orion Pictures*, 21 F.3d at 27 (quoting *Ad Hoc Protective Comm. for 10 1/2 Debenture Holders v. Itel Corp. (In re Itel Corp.)*), 17 B.R. 942, 944 (B.A.P. 9th Cir. 1982)). The information need not be a trade secret. *Orion Pictures*, 21 F.3d at 28.

40. Public disclosure of certain of the information contained in the 1110 Election Notices and 1110(b) Stipulations would damage Republic’s estates. Blank Dec. ¶ 6. If the terms of existing or renegotiated Aircraft Agreements are revealed, then the Aircraft Parties that are still negotiating with Republic likely would insist on terms at least as favorable as the terms in the filed documents, even if the economics of their own arrangements with Republic are not comparable. *Id.* Such parties would also likely attempt to “cherry pick” among the most favorable of the terms contained in the earlier-filed papers, leading to a continuing deterioration in the terms which Republic could obtain. *Id.* Therefore, disclosure of certain of the information contained within the 1110 Election Notices and 1110(b) Stipulations would “have a chilling effect on negotiations, ultimately affecting the viability of Debtors” by tilting the playing field against them in their crucial effort to bring the Aircraft Agreements into line with current market conditions. *In re Lomas Fin. Corp.*, No. 90 Civ. 7827 (LLS), 1991 U.S. Dist. LEXIS 1589, at *5 (S.D.N.Y. Feb. 11, 1991).

41. Moreover, disclosure of certain of the information contained within the 1110 Election Notices and 1110(b) Stipulations would confer unfair advantages upon Republic’s competitors. First, disclosure of the existing or renegotiated terms of the Aircraft Agreements would give competing airlines a wealth of otherwise nonpublic information about Republic’s

costs. Blank Dec. ¶ 7. Competitors could then use such information in their pricing decisions, to the detriment of Republic. *Id.* In addition, competitors could use such information to outbid Republic for the same aircraft for the purpose of depriving Republic of aircraft which might be important to its reorganization. *Id.* Republic, on the other hand, would not have comparable information relating to its competitors. *Id.* The clear risk of unfair competition makes a protective order under section 107(b) of the Bankruptcy Code vital and completely appropriate in this case. *See Orion Pictures*, 21 F.3d at 27-28 (information that would give unfair advantage to debtors' competitors is subject to protection under section 107(b)); *see also In re Nunn*, 49 B.R. 963, 965 (E.D. Va. 1985) (issuing protective order under section 107(b) to prevent competitors from gaining unfair competitive advantage over debtors by accessing sensitive customer information).

42. Certain of the information contained within the 1110 Election Notices and 1110(b) Stipulations also would confer an unfair advantage on Republic's competitors by undermining Republic's efforts to renegotiate the terms of Aircraft Agreements. Blank Dec. ¶ 8. As explained above, disclosure of this information would put Republic at a disadvantage in its bargaining with the Aircraft Parties. *Id.* Republic's airline competitors, on the other hand, would remain free to negotiate with their own aircraft lessors and lenders without the handicap of having the terms of their transactions known to such aircraft lessors and lenders. *Id.* The Second Circuit has held that the protections of section 107(b) of the Bankruptcy Code are designed to prevent exactly this kind of situation. In *Orion Pictures*, the debtor movie studio moved under section 107(b) and Bankruptcy Rule 9018 to maintain the confidentiality of a promotional agreement that the studio had entered into with McDonald's Corporation, the fast-food chain. *See Orion Pictures*, 21 F.3d at 25-26.

43. The Second Circuit upheld the bankruptcy court's decision to issue a protective order where

[d]isclosing the sealed information, including the overall structure, terms and conditions of the McDonald's Agreement, renders very likely a direct and adverse impairment to Orion's ability to negotiate favorable promotion agreements with future customers, thereby giving Orion's competitors an unfair advantage.

Id. at 26 (quoting bankruptcy court decision). As with the promotional agreement in *Orion Pictures*, disclosure of certain of the information contained within the 1110 Election Notices and 1110(b) Stipulations in this case would impair Republic's ability to negotiate favorable terms with the Aircraft Parties in the future, thereby giving Republic's competitors (who do not publicly disclose the critical terms of their own aircraft agreements) an unfair advantage.

44. The confidential commercial information contained in the 1110 Election Notices and 1110(b) Stipulations is information that Republic and other airlines take great pains to keep confidential outside the bankruptcy context. Blank Dec. ¶ 5. By statute, airlines must record with the Federal Aviation Administration ("FAA") any conveyance that affects title to, or any interest in, civil aircraft or certain types of aircraft equipment such as engines. *See* 49 U.S.C. §§ 44107-108; *see also* 14 C.F.R. § 49.31 et seq. (FAA regulations relating to recording requirement). This recording requirement includes leases, mortgages, amendments, and other conveyances that are common among the Aircraft Agreements. *See* 49 U.S.C. § 40102(a). However, airlines, including Republic, routinely redact confidential and proprietary information without objection – including core economic terms such as the agreed rent for the aircraft and the aircraft's stipulated loss value – from the schedules and attachments of the recorded conveyances. *See* Notice of Legal Opinion, Treatment of Instruments with Proprietary Information Intentionally Omitted, FR Doc. 94-23368 (Sept. 21, 1994) (permitting airlines to make such redactions).

45. By granting the protective order requested by Republic, the Court will simply be maintaining the status quo that existed before Republic filed its chapter 11 petitions, underscoring the propriety of the protective order. *See In re Hemple*, 295 B.R. 200, 201 (Bankr. D. Vt. 2003) (section 107(b) “is generally intended to protect debtors as they would be protected in the commercial setting, when such protection does not compromise the public’s need or right to have access to bankruptcy cases”). Outside of bankruptcy, airlines do not disclose the economic terms and other crucial provisions of their aircraft agreements to their creditors, other aircraft providers, or their competitors. This permits airlines, including Republic, to negotiate the best terms possible in an effort to keep their costs lower, which is crucial at a time of increased competition and rising expense.

46. On the other hand, no right of creditors of Republic, including, without limitation, the Aircraft Parties, or the general public will be prejudiced by granting the requested relief. Because the type of confidential commercial information contained within the 1110 Election Notices and 1110(b) Stipulations would not be revealed by Republic outside of bankruptcy, neither creditors of Republic nor the general public will be harmed by preserving the confidentiality of information that they otherwise would not have in their commercial dealings. To the extent that creditors of Republic may have a legitimate interest in some of the information contained within the 1110 Election Notices and 1110(b) Stipulations in order to monitor the administration of Republic’s estates, such interest will be sufficiently served by providing unredacted copies of the 1110 Election Notices and 1110(b) Stipulations to counsel to the Committee.

47. Similar relief has been granted in other airline restructuring cases. *See, e.g., In re Pinnacle Airlines Corp.*, Case No. 12-11343 (REG) (Bankr. S.D.N.Y. Apr. 23, 2012);

In re AMR Corp., Case No. 11-15463 (SHL) (Bankr. S.D.N.Y. Dec. 23, 2011); *In re Mesa Air Group, Inc.*, Case No. 10-10018 (MG) (Bankr. S.D.N.Y. Feb. 23, 2010); *In re Frontier Airlines Holdings, Inc.*, Case No. 08-11298 (RDD) (Bankr. S.D.N.Y. June 3, 2008); *In re Delta Air Lines, Inc.*, Case No. 05-17923 (PCB) (Bankr. S.D.N.Y. Oct. 31, 2005); *In re Northwest Airlines Corp.*, Case No. 05-17930 (ALG) (Bankr. S.D.N.Y. Nov. 10, 2005).

Notice

48. Notice of this motion is being provided to (i) the Office of the United States Trustee for the Southern District of New York, (ii) the holders of the ten largest secured claims against Republic (on a consolidated basis), (iii) the holders of the forty largest unsecured claims against Republic (on a consolidated basis), (iv) the attorneys for the agents under Republic's prepetition revolving credit facilities, (v) the International Brotherhood of Teamsters, (vi) the attorneys for Republic's Codeshare Partners, (vii) the Securities and Exchange Commission, (viii) the Internal Revenue Service, (ix) the Office of the United States Attorney for the Southern District of New York, and (x) all parties having filed requests for notices in these cases pursuant to Fed. R. Bankr. P. 2002. Republic submits that, in view of the facts and circumstances, such notice is sufficient and no other or further notice need be given.

49. No previous request for the relief sought herein has been made Republic to this or any other court.

WHEREFORE Republic respectfully requests entry of an order granting the relief as requested herein and such other and further relief as is just.

Dated: New York, New York
February 25, 2016

/s/ Bruce R. Zirinsky

Bruce R. Zirinsky
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*Proposed 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-_____ (___)**
Debtors.¹ : **Jointly Administered**

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**ORDER AUTHORIZING THE DEBTORS TO (i) ENTER INTO AGREEMENTS
UNDER 11 U.S.C. § 1110(a), (ii) ENTER INTO STIPULATIONS TO EXTEND THE
TIME TO COMPLY WITH 11 U.S.C. 1110, AND (iii) FILE REDACTED SECTION 1110
ELECTION NOTICES AND SECTION 1110(b) STIPULATIONS**

A hearing having been held on _____, 2016 (the “Hearing”), to consider the motion, dated February 25, 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”), for entry of an order pursuant to section 1110 of title 11, United States Code (the “Bankruptcy Code”), authorizing Republic to (i) enter into agreements (each, an “1110 Agreement”) to perform its respective obligations under Aircraft Agreements relating to certain aircraft and related equipment (the “Aircraft Equipment”), (ii) make payments and take actions as may be necessary to cure defaults, if any, under Aircraft Agreements that are subject to 1110 Agreements (other than defaults of a kind specified in section 365(b)(2) of the Bankruptcy Code) and to retain the protection of the automatic stay with respect to Aircraft Equipment that is

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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.
 2. Capitalized terms not otherwise herein defined shall have the meanings ascribed to such terms in the Motion.

subject to 1110 Agreements, (iii) enter into stipulations (each stipulation, including any exhibits or schedules thereto, an “1110(b) Stipulation”) with Aircraft Parties to extend the 60-day period set forth in section 1110(a)(2) of the Bankruptcy Code, and perform its obligations thereunder, and (iv) file redacted 1110 Election Notices (as defined in the Motion) and 1110(b) Stipulations pursuant to section 107(b) of the Bankruptcy Code and Fed. R. Bankr. P. 9018; and upon the Motion, the papers in support thereof, the responses thereto; and the appearances of all interested parties having been noted in the record of the Hearing; and the record of the Hearing; and after due deliberation; and sufficient cause appearing therefor,

IT IS HEREBY FOUND, ORDERED, ADJUDGED AND DECREED THAT:

1. Proper and adequate notice of the Motion has been given and no other notice is necessary.
2. The relief requested in the Motion is in the best interests of Republic and its estates, creditors, and all economic parties in interest, and the Motion is hereby granted as provided herein.
3. For purposes of section 1110 of the Bankruptcy Code, April 25, 2016 is the fifty-ninth day after the order for relief was entered in these chapter 11 cases (the “1110 Deadline”).
4. Republic is authorized to enter into 1110 Agreements and 1110(b) Stipulations pursuant to the procedures specified in this Order, and any objections to any 1110 Election Notice, any Cure Amount (as defined below) or to any 1110(b) Stipulation shall be served and filed in accordance with the procedures specified in this Order, or such objections shall be barred to the extent provided herein.

**Approved Procedures For Republic's
Agreements to Perform under 11 U.S.C. § 1110(a)**

5. Republic is hereby authorized to enter into 1110 Agreements to perform its obligations under Aircraft Agreements pursuant to section 1110(a) of the Bankruptcy Code with respect to the Aircraft Equipment identified by Republic. Republic is further authorized to make such payments, and to take such other actions, as are necessary to cure defaults, if any, under such Aircraft Agreements (other than defaults of a kind specified in section 365(b)(2) of the Bankruptcy Code, as to which defaults no cure is required), and to retain the protection of the automatic stay with respect to the applicable Aircraft Equipment.

6. If Republic wishes to make an 1110 Agreement with respect to any Aircraft Equipment, Republic shall file an 1110 Election Notice pursuant to Section 1110(a) of the Bankruptcy Code, substantially in the form of Exhibit A to the Motion (each such notice, including any exhibits or schedules thereto, an "1110 Election Notice"), for such Aircraft Equipment and serve such 1110 Election Notice on (i) in the case of leased Aircraft Equipment, to the extent known to Republic, the Leased Aircraft Notice Parties and their counsel; (ii) in the case of owned Aircraft Equipment, to the extent known to Republic, the Owned Aircraft Notice Parties and their counsel; and (iii) counsel to the Committee. Each 1110 Election Notice shall constitute Republic's agreement to perform all obligations that become due under the relevant Aircraft Agreement with respect to the Aircraft Equipment identified therein in accordance with section 1110 of the Bankruptcy Code. Schedule 1 to each 1110 Election Notice shall state the amount (the "Cure Amount"), if any, that Republic believes it must pay under the relevant Aircraft Agreement relating to the Aircraft Equipment identified in the 1110 Election Notice in order to comply with section 1110(a)(2)(B) of the Bankruptcy Code.

7. Any party in interest may object to an 1110 Election Notice or any Cure Amount specified therein by filing a written objection (an “1110(a) Objection”) on or before 4:00 p.m. prevailing Eastern Time on the date that is ten days after the date of the filing of the applicable 1110 Election Notice (the “1110(a) Objection Deadline”). An 1110(a) Objection shall be considered timely only if, on or before the 1110(a) Objection Deadline, it is (i) filed with the United States Bankruptcy Court for the Southern District of New York, with a copy to Chambers, and (ii) served upon each of the following parties (a) the proposed 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 (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 Ramsey Chamie, Esq. (ramsey.chamie@hugheshubbard.com)), (b) the Office of the United States Trustee for the Southern District of New York, 33 Whitehall Street, 21st Floor, New York, New York 10004; and (c) counsel to the creditors’ committee (the “Notice Parties”).

8. Any such 1110(a) Objection must set forth with specificity (i) the party’s interest in the affected Aircraft Equipment, if any, (ii) the basis for the objection, (iii) the provision(s) of the Aircraft Agreement or any other agreement under which the objecting party contends any uncured default exists, and (iv) the amount, if any, that the objecting party asserts as the Cure Amount, if different from that specified by Republic..

9. Unless the Court orders otherwise with respect to a specific 1110 Election Notice, upon the filing of such 1110 Election Notice on or before the 1110 Deadline (or any extension of the 1110 Deadline pursuant to section 1110(b) of the Bankruptcy Code) and the

timely payment of the Cure Amounts, if any, specified therein, (i) all defaults under the applicable Aircraft Agreement (other than defaults of a kind specified in section 365(b)(2) of the Bankruptcy Code as to which no cure is required) shall be deemed cured, (ii) the 1110 Election Notice shall be deemed effective as of the date on which such 1110 Election Notice was filed (or as otherwise provided in such 1110 Election Notice), and (iii) the 60-day period set forth in section 1110(a)(2) of the Bankruptcy Code shall be deemed to have been extended with respect to the Aircraft Equipment identified therein. If an 1110(a) Objection has been timely filed with respect to a specific item of Aircraft Equipment listed on Schedule 1 to an 1110 Election Notice and the dispute relating to such Aircraft Equipment is not resolved consensually by the parties within ten days after the date of the filing and service of such 1110(a) Objection, Republic shall schedule a hearing on the next available hearing date to consider the 1110(a) Objection only with respect to the particular Aircraft Equipment identified in such 1110(a) Objection, and the filing of such 1110(a) Objection shall not delay the effectiveness of the 1110 Agreement with respect to any other Aircraft Equipment listed in the 1110 Election Notice for which no 1110(a) Objection is filed.

10. The 1110 Agreements and the 1110 Election Notices shall not constitute the assumption of any Aircraft Agreement under section 365 of the Bankruptcy Code (to the extent that such section is applicable) and in no way restrict Republic's ability to later restructure such Aircraft Agreements or reject or abandon the Aircraft Equipment relating to such Aircraft Agreement.

11. By making an 1110 Agreement or filing an 1110 Election Notice, Republic does not waive or impair its right to argue that any Aircraft Equipment subject to an

1110 Agreement or an 1110 Election Notice is not entitled to the protection of section 1110 of the Bankruptcy Code.

12. The requirements of Local Bankruptcy Rule 6006-1(d) are hereby waived.

**Approved Procedures For Stipulations
Under Section 1110(b) of the Bankruptcy Code**

13. Republic is hereby authorized to enter into 1110(b) Stipulations which may be, but are not required to be, substantially in the form of Exhibit B to the Motion, and perform its obligations thereunder.

14. Promptly upon entering into an 1110(b) Stipulation, Republic shall file such 1110(b) Stipulation with the Court and serve notice of the filing of such Stipulation on (i) in the case of leased Aircraft Equipment, to the extent known to Republic, the Leased Aircraft Notice Parties and their counsel; (ii) in the case of owned Aircraft Equipment, to the extent known to Republic, the Owned Aircraft Notice Parties and their counsel; and (iii) counsel to the creditors' committee.

15. Any party in interest may object to an 1110(b) Stipulation by filing a written objection (an "1110(b) Objection") on or before 4:00 p.m. prevailing Eastern Time on the date that is ten days after the date of the filing and service of such 1110(b) Stipulation (the "1110(b) Objection Deadline").

16. An 1110(b) Objection shall be considered timely only if, on or before the 1110(b) Objection Deadline, it is (i) filed with the Court, with a copy to Chambers and (ii) served upon each of the Notice Parties. Any such 1110(b) Objection shall set forth with specificity the basis for the objection and the objector's interest in the affected Aircraft Equipment.

17. Unless the Court orders otherwise, upon the execution by Republic and the applicable Aircraft Party and filing of an 1110(b) Stipulation and the timely performance of Republic's obligations thereunder, (i) such 1110(b) Stipulation shall be deemed to be effective as of the date on which such 1110(b) Stipulation was filed (or as otherwise provided in the 1110(b) Stipulation) and (ii) the 60-day period set forth in section 1110(a)(2) of the Bankruptcy Code shall be deemed to have been extended with respect to the Aircraft Equipment identified therein as set forth in the 1110(b) Stipulation. If an 1110(b) Objection has been timely filed and the dispute relating to such 1110(b) Objection is not consensually resolved by the parties within ten days after the date of the filing and service of such 1110(b) Objection, Republic shall schedule a hearing on the next available hearing date to consider the 1110(b) Objection.

Filing Redacted 1110(a) Election Notices and 1110(b) Stipulations

18. Due to the confidential and commercial nature of the information that will be contained in the 1110 Election Notices and 1110(b) Stipulations, including Cure Amounts and modifications to the related Aircraft Agreements, and the commercial and competitive harm that disclosure of this information could cause to Republic, redacted copies of the 1110 Election Notices and 1110(b) Stipulations shall be filed and served pursuant to section 107(b) of the Bankruptcy Code and Fed. R. Bankr. P. 9018.

19. Republic shall provide unredacted copies of each 1110 Election Notice and 1110(b) Stipulation to counsel to the creditors' committee, provided that such counsel agrees to the confidentiality of the 1110 Election Notices and 1110(b) Stipulations on terms satisfactory to Republic.

20. Republic shall also provide the Aircraft Parties that have an interest in the Aircraft Equipment that is the subject of an 1110 Election Notice, provided that the information

in such 1110 Election Notice shall be subject to any confidentiality provision(s) in the relevant Aircraft Agreement(s).

21. Notwithstanding any provision of the Bankruptcy Code, the Bankruptcy Rules or the Local Bankruptcy Rule to the contrary, this Order shall be effective immediately upon entry.

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

Dated: New York, New York
_____, 2016

United States Bankruptcy Judge

EXHIBIT A

**NOTICE OF ELECTION PURSUANT TO SECTION 1110(a) OF THE
BANKRUPTCY CODE**

**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-_____ (___)**
Debtors.¹ : **(Jointly Administered)**

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NOTICE OF ELECTION PURSUANT TO 11 U.S.C. § 1110(a)

TO: Parties Set Forth on Schedule 1

PLEASE TAKE NOTICE that 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”) hereby give notice to the parties set forth on Schedule 1 attached hereto (the “1110(a) Notice Parties”) that the Court has entered the Order Authorizing the Debtors to (i) Enter into Agreements Under 11 U.S.C. § 1110(a), (ii) Enter into Stipulations to Extend the Time to Comply with 11 U.S.C. § 1110, and (iii) File Redacted Section 1110 Election Notices and Section 1110(b) Stipulations (the “Order”).

PLEASE TAKE FURTHER NOTICE that, in accordance with and subject to the terms of the Order and with respect to (i) the aircraft, engines, and propellers identified by U.S. Federal Aviation Administration Number or serial number, as the case may be, on Schedule 1 attached hereto (the “Aircraft”) and (ii) the aircraft appliances and spare parts (each as defined in

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.

section 1110(a)(3)(A)(i) Bankruptcy Code, the “Aircraft Parts” and, collectively with the Aircraft, the “Aircraft Equipment”² that are the subject of the security agreement, lease or conditional sale contract pertaining to the Aircraft Equipment (the “Aircraft Agreement”), Republic agrees:

(a) to perform all obligations of Republic under the Aircraft Agreement with respect to the Aircraft Equipment, in each case, identified on Schedule 1; and

(b) that for any default, other than a default of a kind specified in Section 365(b)(2) of the Bankruptcy Code, under the Aircraft Agreement with respect to the Aircraft Equipment, in each case, identified on Schedule 1:

(1) that occurred before the filing of Republic’s chapter 11 cases (the “Commencement Date”), such default shall be cured before the expiration of the period ending on the date that is 60 days after the Commencement Date (the “1110(a) Deadline”);

(2) that occurred or occurs after the Commencement Date and before the 1110(a) Deadline, such default shall be cured before the later of:

- (x) the date that is 30 days after the date of the default; or
- (y) the 1110(a) Deadline; and

2. Nothing herein shall be construed as an admission or concession by Republic that any 1110(a) Notice Party or any other party in interest with respect to the Aircraft Agreement or Aircraft Equipment has rights under section 1110 of the Bankruptcy Code or that any of the Aircraft Equipment is subject to section 1110 of the Bankruptcy Code, and Republic expressly reserves all rights and defenses with respect thereto.

(3) that occurs on or after the 1110(a) Deadline, such default shall be cured in compliance with the terms of the Aircraft Agreement with respect to the Aircraft Equipment, if a cure is permitted under such Aircraft Agreement.³

PLEASE TAKE FURTHER NOTICE that Schedule 1 attached hereto sets forth the amounts (the "Cure Amounts"), if any, that Republic believes that it must pay under the Aircraft Agreement in order to cure all defaults, if any, required to be cured pursuant to Section 1110(a)(2) of the Bankruptcy Code with respect to the Aircraft Equipment. **IF NO OBJECTION IS TIMELY FILED AND SERVED AS SET FORTH IN THE NEXT PARAGRAPH, THE 1110(a) NOTICE PARTIES SHALL BE FOREVER BARRED FROM OBJECTING TO THE CURE AMOUNTS TO THE EXTENT PROVIDED IN THE ORDER.**

PLEASE TAKE FURTHER NOTICE that in accordance with the terms of the Order, any party in interest may object to this 1110 Election Notice or any Cure Amount stated herein by filing a written objection on or before 4:00 p.m. (prevailing Eastern Time) on _____, 2016 (the "Objection Deadline"). An objection shall be considered timely only if, on or before the Objection Deadline, it is (i) filed with the United States Bankruptcy Court for the Southern District of New York, with a copy to Chambers and (ii) served upon (a) 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:

3. Neither this 1110 Election Notice nor any agreement made hereunder shall constitute an assumption by Republic of the Aircraft Agreement under section 365 of the Bankruptcy Code (to the extent that such section is applicable), and nothing contained herein shall be construed to constitute such an assumption.

Christopher K. Kiplok, Esq. (chris.kiplok@hugheshubbard.com) and Ramsey Chamie, Esq. (ramsey.chamie@hugheshubbard.com)), attorneys for the Debtors, (b) the Office of the United States Trustee for the Southern District of New York, 33 Whitehall Street, 21st Floor, New York, New York 10004; and (d) counsel to the creditors' committee. Any such objection must set forth with specificity (1) the party's interest in the affected Aircraft Equipment, if any, (2) the basis for the objection, (3) the provision(s) of the Aircraft Agreement or any other agreement under which the objecting party contends any uncured default exists, and (4) the amount, if any, that the objecting party asserts as the Cure Amount, if different from that specified by Republic.

PLEASE TAKE FURTHER NOTICE that if no objection is timely filed, upon the timely payment of the Cure Amounts, if any, specified herein, (i) all defaults under the Aircraft Agreement (other than defaults of a kind specified in section 365(b)(2) of the Bankruptcy Code as to which no cure is required) shall be deemed cured, (ii) this 1110 Election Notice shall be deemed effective as of the date upon which it is filed, and (iii) the 60-day period set forth in section 1110(a)(2) of the Bankruptcy Code shall be deemed to have been extended with respect to the Aircraft Equipment.

PLEASE TAKE FURTHER NOTICE that if an objection has been timely filed with respect to a specific item of Aircraft Equipment listed on Schedule 1 hereto and the dispute relating to such Aircraft Equipment is not resolved consensually among the parties within ten days after the date of the filing and service of such objection, Republic shall schedule a hearing on the next available hearing date to consider such objection only with respect to the particular Aircraft Equipment identified in the objection, and Republic's receipt of such objection shall not delay the effectiveness of this 1110 Election Notice with respect to any other Aircraft Equipment listed on Schedule 1 for which no objection is filed.

PLEASE TAKE FURTHER NOTICE that Republic reserves the right to
withdraw and revoke this 1110 Election Notice at any time in its sole discretion.

Dated: New York, New York
_____, 2016

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*Proposed Attorneys for the Debtors and
Debtors in Possession*

SCHEDULE 1

1110(a) NOTICE
PARTIES

AIRCRAFT
U.S. FEDERAL AVIATION
ADMINISTRATION
REGISTRATION NUMBERS

CURE AMOUNTS

EXHIBIT B

STIPULATION AND ORDER APPROVING SECTION 1110(b) EXTENSION

**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-_____ (___)**
Debtors.¹ : **(Jointly Administered)**

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STIPULATION AND ORDER APPROVING SECTION 1110(b) EXTENSION

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"), and the aircraft financing parties set forth on Schedule 1 hereto (each, an "Aircraft Party" and, if more than one, collectively, the "Aircraft Parties") hereby stipulate and agree as follows:

1. 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.

2. Pursuant to certain financing arrangements with the Aircraft Parties (the "Aircraft Agreements"), the Debtors have the right to use the aircraft described on Schedule 1 hereto and all engines, appliances and related parts and equipment, and all records, logs and documents relating thereto (collectively, the "Aircraft Equipment").

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.

3. The Aircraft Equipment may constitute “equipment” within the meaning of sections 1110(a)(3)(A)(i) and 1110(a)(3)(B) of the Bankruptcy Code. Accordingly, the Aircraft Equipment and the Aircraft Agreements may be entitled to the protections of section 1110 of the Bankruptcy Code; *provided, however*, that entry of this stipulation (together with any and all exhibits attached hereto, the “Stipulation”) shall not be deemed (a) to constitute an admission by the Debtors that the Aircraft Equipment constitutes “equipment” within the meaning of section 1110 of the Bankruptcy Code or that the Aircraft Agreements are entitled to the protections of section 1110 of the Bankruptcy Code, or (b) a waiver by the Aircraft Parties of any right to assert that the Aircraft Equipment constitutes “equipment” within the meaning of section 1110 of the Bankruptcy Code or that the Aircraft Agreements are entitled to the protections of section 1110 of the Bankruptcy Code. The Debtors and the Aircraft Parties reserve all their respective rights and defenses with respect to the foregoing.

4. Pursuant to section 1110(b) of the Bankruptcy Code, if the Aircraft Equipment constitutes “equipment” under section 1110 of the Bankruptcy Code, the Debtors have requested that the Aircraft Parties extend the 60-day period set forth in section 1110(a)(2) of the Bankruptcy Code (the “Section 1110 Period”). The Aircraft Parties have agreed to this extension of the Section 1110 Period, and the continued effectiveness of this Stipulation is subject to the following conditions:

(a) the Debtors’ compliance with the terms of this Stipulation during the Extension Period (as defined below); and

(b) the Debtors’ taking all actions reasonably necessary to ensure that there are no Events of Default (as defined in the Aircraft Agreements) (other than (i) Events of Default based on the failure to pay amounts due thereunder or referenced therein and not otherwise expressly required to be paid under this Stipulation, (ii) Events of Default of a

kind specified in section 365(b)(2) of the Bankruptcy Code, (iii) Events of Default based on defaults under other indebtedness or lease or other obligations of any of the Debtors, or (iv) Events of Default based on a failure to comply with financial covenants), during the Extension Period (as defined below).

5. The Section 1110 Period is hereby extended, for all purposes, effective _____, until 11:59 p.m. (prevailing Eastern Time) on _____ or such earlier date as the Debtors and the Aircraft Parties may agree (such extension, together with any further extensions on the terms set forth below, the “Extension Period”); *provided, however*, that unless either the Debtors, on the one hand, or the Aircraft Parties, on the other hand, provide written notice of termination of the Extension Period to the other received at least 10 days prior to the expiration of the Extension Period then in effect, the Extension Period shall be extended automatically by an additional thirty-day period.

6. The Aircraft Parties party hereto represent and warrant that they have full authority under the Aircraft Agreements and related controlling documents to enter into and perform this Stipulation and otherwise authorize the Debtors’ continued use of the Aircraft Equipment.

7. In consideration of the extension, Republic shall pay to the Aircraft Parties the amounts set forth on Schedule 2 hereto on the dates set forth therein and otherwise comply with its obligations set forth therein. Such payments shall be made and applied in accordance with the terms of the Aircraft Agreements, shall be credited against the Debtors’ obligations thereunder and shall not be subject to disgorgement. By accepting these payments, the Aircraft Parties do not waive any right to receive the full amounts due under the Aircraft Agreements, except to the extent otherwise provided in Schedule 2.

8. Notwithstanding anything in the Bankruptcy Code to the contrary, including the provisions of sections 363(e) and 365(d)(5) of the Bankruptcy Code (to the extent applicable), the Debtors shall not be obligated to make, and the Aircraft Parties shall not seek, any payments under the Aircraft Agreements or with respect to the Aircraft Equipment during the Extension Period, except as specifically provided in paragraph 7 of this Stipulation.

9. The parties hereby agree and acknowledge that this Stipulation does not constitute an election or, except as expressly set forth in paragraph 5 and 7 of this Stipulation, an agreement by the Debtors under section 1110(a) of the Bankruptcy Code or any other provision of the Bankruptcy Code, and nothing contained herein shall be construed as such an election or agreement. The parties also agree and acknowledge that this Stipulation does not constitute an assumption by the Debtors of the Aircraft Agreements under section 365 of the Bankruptcy Code (to the extent such section is applicable), and nothing contained herein shall be construed to constitute such an assumption. The Aircraft Parties agree that they shall not assert in any judicial proceeding that this Stipulation constitutes either an agreement under section 1110(a) of the Bankruptcy Code or an assumption under section 365 of the Bankruptcy Code.

10. Except to the extent otherwise provided herein, this Stipulation does not limit or affect the rights, remedies, or claims of the Aircraft Parties, if any, under other provisions of the Bankruptcy Code, subject to all rights, defenses and objections of the Debtors and any other party in interest.

11. The Debtors and the Aircraft Parties agree that this Stipulation does not otherwise affect any term or provision of the Aircraft Agreements except as expressly set forth in this Stipulation, and that the parties hereto reserve all of their respective rights and remedies with respect thereto.

12. This Stipulation shall be binding upon (a) the Debtors and any trustee or examiner that may be appointed in the pending chapter 11 cases, and their respective successors and assigns, (b) the Aircraft Parties and their respective successors and assigns and (with respect to those Aircraft Parties that are trusts or trustees) trust beneficiaries who so direct or authorize the trusts or the trustee of the trusts to enter into this Stipulation, (c) the trustee in the event that the above-captioned cases are converted to cases under chapter 7 of the Bankruptcy Code, and (d) all creditors and other parties in interest in the above-captioned cases.

Notwithstanding anything else contained herein, any provision of this Stipulation is binding on an Aircraft Party to the extent that such Aircraft Party is a signatory hereof or the signatories hereof have the authority under the Aircraft Agreements or otherwise to bind such Aircraft Party with respect to the subject matter of such provision.

13. This Stipulation is subject to and effective upon the final approval of the Court. The Debtors shall promptly cause this Stipulation to be presented to the Court for approval in accordance with the Order Authorizing the Debtors to (i) Enter into Agreements Under 11 U.S.C. § 1110(a), (ii) Enter into Stipulations to Extend the Time to Comply with 11 U.S.C. § 1110, and (iii) File Redacted Section 1110 Election Notices and Section 1110(b) Stipulations, as entered on _____, 2016 (the "Order"). Upon approval, this Stipulation shall be effective as of the date it was filed with the Court.

14. This Stipulation may be executed in one or more counterparts, by facsimile, electronic transmission or otherwise, each of which shall be deemed an original, and all of which, when taken together, shall constitute one and the same document.

15. This Stipulation, together with section 1110 of the Bankruptcy Code and the Aircraft Agreements, each as modified pursuant to the terms of this Stipulation, contain the entire agreement between the Aircraft Parties 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 and the Aircraft Agreements as modified or otherwise affected hereby. In the event of any inconsistency between this Stipulation and either the Aircraft Agreements or the Order, or between this Stipulation and the Debtors' Motion with respect to the Order, this Stipulation shall govern. This Stipulation shall not be altered, amended, modified, or otherwise changed, and the rights hereunder may not be waived, except by a writing dated subsequent to the date hereof and duly signed by each of the Aircraft Parties and the Debtors.

16. To the extent nonbankruptcy law governs any provision of this Stipulation, this Stipulation shall be interpreted, and the rights and duties of the parties hereto shall be determined, in accordance with the laws of the State chosen by the Debtors and the Aircraft Parties in the Aircraft Agreements.

17. Unless otherwise specifically provided herein, all notices required or permitted by the terms of the Aircraft Agreements or 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. and Ramsey Chamie, Esq.
chris.kiplok@hugheshubbard.com
ramsey.chamie@hugheshubbard.com

(B) If to any Aircraft Party, then as is set forth on Schedule 3 hereto or to its counsel filing any Notice of Appearance in these chapter 11 cases.

(C) If to counsel to the statutory Committee of Unsecured Creditors:

[]
Attention: [], Esq.
Facsimile: []

Dated: New York, New York
_____, 2016

Bruce R. Zirinsky
Sharon J. Richardson
Gary D. Ticoll
ZIRINSKY LAW PARTNERS PLLC
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New York, New York 10152
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New York, New York 10004
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*Proposed Attorneys for the Debtors and
Debtors in Possession*

Dated: [_____], 2016

[AIRCRAFT PARTIES]

By: _____

This Court having determined that the approval requested in the Stipulation is in the best interests of the Debtors, their estates and creditors, and it appearing that proper and adequate notice has been given and that no other or further notice is necessary, and upon the record herein, and after due deliberation thereon, and good and sufficient cause appearing therefore,

IT IS HEREBY ORDERED, ADJUDGED AND DECREED THAT:

1. The Stipulation and the transactions contemplated therein are APPROVED in their entirety.
2. Notwithstanding any provision of the Bankruptcy Code, the Federal Rules of Bankruptcy Procedure or the Local Rules of this Court to the contrary, this Order shall take effect immediately upon entry.

Dated: New York, New York
_____, 2016

United States Bankruptcy Judge

SCHEDULE 1

AIRCRAFT PARTIES

AIRCRAFT EQUIPMENT
U.S. FEDERAL AVIATION
ADMINISTRATION REGISTRATION
NUMBERS

SCHEDULE 2

Payment Schedule and Other Obligations (if applicable)

SCHEDULE 3

Notice Information for Aircraft Parties

EXHIBIT C

DECLARATION OF ETHAN J. BLANK

**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-_____ (___)**
Debtors.¹ : **(Joint Administration Pending)**

-----x

**DECLARATION OF ETHAN J. BLANK IN SUPPORT OF THE DEBTORS’
MOTION FOR AN ORDER AUTHORIZING DEBTORS TO FILE REDACTED
SECTION 1110 ELECTION NOTICES AND SECTION 1110(b) STIPULATIONS**

Ethan J. Blank, hereby declares, pursuant to 28 U.S.C. § 1746, as follows:

1. I am Vice President and General Counsel of Republic Airways Holdings Inc. (“RAH,” and together with certain of its wholly-owned direct and indirect subsidiaries, as debtors and debtors in possession in the above-captioned chapter 11 cases (“Republic” or the “Debtors”). I have held this position since February 2012. In this capacity, I am familiar with Republic’s day-to-day operations, business, and financial affairs.

2. Except as otherwise indicated, all facts set forth in this declaration are based upon my personal knowledge, my review of relevant documents, information provided to me by employees or advisors working under my supervision, or my opinion based upon experience, knowledge, and information concerning the operations of Republic and the airline industry as a whole. If called upon to testify, I would testify competently to the facts set forth in this affidavit.

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.

3. The Debtors' operating fleet consists of approximately 230 aircraft and related equipment (collectively, the "Aircraft Equipment"). Substantially all of these aircraft are leased or financed pursuant to a variety of leasing and other financing arrangements. These arrangements are governed by various agreements (collectively, the "Aircraft Agreements") including security agreements, operating leases and subleases.

4. Republic is in the process of negotiating with parties to Aircraft Agreements. In some cases, Republic may elect to continue to make payments under the leases or security agreements that are applicable to particular Aircraft Equipment, and will file notices of such elections (the "1110 Election Notices"). In other cases, Republic may seek the agreement of certain lessors or lenders to extend the 60-day period specified in Section 1110 of the Bankruptcy Code, in exchange for Republic's agreement to make certain payments during the extension period. These agreements will be embodied in stipulations (the "1110(b) Stipulations").

5. The 1110 Election Notices and 1110(b) Stipulations will contain confidential and sensitive commercial information regarding the terms of the Aircraft Agreements. For example, the 1110 Election Notices will include the amount that Republic believes it must pay under the relevant Aircraft Agreement to comply with section 1110(a)(2)(B) of the Bankruptcy Code, which may, in some cases, be used by other aircraft parties or Republic's competitors to derive the agreed rent for the relevant aircraft. Such information is treated as highly confidential in the airline industry. For example, Republic and other airlines routinely redact pricing and other confidential and proprietary information from the documents that they file with the Federal Aviation Administration ("FAA") relating to Aircraft Agreements, including leases, mortgages, amendments, and other common conveyances. The redactions

include removal of the core economic terms such as the agreed rent for the aircraft and the aircraft's stipulated loss value.

6. In my opinion, public disclosure of certain of the information contained within the 1110 Election Notices and 1110(b) Stipulations would damage Republic's estates. Republic is currently in negotiations with respect to its Aircraft Agreements. If the terms of existing or renegotiated Aircraft Agreements are revealed, parties with an interest in other Aircraft Equipment who are still negotiating with Republic likely would insist on terms at least as favorable as the terms in the filed documents, even if the economics of their own arrangements with Republic are not comparable. Such parties likely would also attempt to "cherry pick" among the most favorable of the terms contained in the earlier-filed papers, leading to a continuing deterioration in the terms which Republic could obtain.

7. Moreover, I believe that disclosure of certain of the information contained within the 1110 Election Notices and 1110(b) Stipulations would confer unfair advantages upon Republic's competitors. First, disclosure of the existing or renegotiated terms of the Aircraft Agreements would give competing airlines a wealth of otherwise nonpublic information about Republic's costs. Competitors could then use such information in their pricing decisions, to the detriment of Republic. In addition, competitors could use such information to outbid Republic for the same aircraft for the purpose of depriving Republic of aircraft which might be important to Republic's reorganization. Republic, on the other hand, would not have comparable information relating to its competitors.

8. I also believe that certain of the information contained in the 1110 Election Notices and 1110(b) Stipulations also would confer an unfair advantage on Republic's competitors by undermining Republic's efforts to renegotiate the terms of Aircraft Agreements.

As explained above, disclosure of this information would put Republic at a disadvantage in its bargaining with the Aircraft Parties. Republic's airline competitors, on the other hand, would remain free to negotiate with their own aircraft lessors and lenders without the handicap of having the terms of their transactions known to such aircraft lessors and lenders.

I declare under penalty of perjury that, to the best of my knowledge, information,
and belief, and after reasonable inquiry, the foregoing is true and correct.

Dated: New York, New York
February 25, 2016



Ethan J. Blank