

**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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**INTERIM ORDER PURSUANT TO 11 U.S.C. §§ 105(a), 345(b),
363(b), 363(c), 364(a), 503(b) & 507(a) AND FED. R. BANKR. P. 6003 & 6004
AUTHORIZING DEBTORS TO (A) CONTINUE
USING EXISTING CASH MANAGEMENT SYSTEM, (B) HONOR CERTAIN
PREPETITION OBLIGATIONS RELATED TO THE USE THEREOF,
AND (C) MAINTAIN EXISTING BANK ACCOUNTS
AND BUSINESS FORMS**

A hearing having been held on February 26, 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 sections 105(a), 345(b), 363(b), 363(c), 364(a), 503(b), and 507(a) of title 11, United States Code (the "Bankruptcy Code") and Fed. R. Bankr. P. 6003 and 6004, (i) authorizing Republic to (a) continue to operate its existing Cash Management System with respect to intercompany cash management and obligations, including the

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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 them in the Motion.

maintenance of existing Bank Accounts at the existing Banks and the continuation of the investment of its cash in accordance with its Investment Policy consistent with its prepetition practices, (b) honor certain prepetition obligations related to the Cash Management System, (c) provide administrative expense priority status to postpetition intercompany claims incurred in connection with the transfers of funds under the Cash Management System, and (d) maintain existing business forms and (ii) waiving the requirements of section 345(b) of the Bankruptcy Code to the extent they apply to any of Republic's Bank Accounts or to Republic's cash investments through the JPMorgan Clearing Account, all as more fully set forth in the Motion; and the Declaration of Bryan K. Bedford Pursuant to Local Bankruptcy Rule 1007-2 (the "Bedford Declaration") having been filed with the Court contemporaneously with the Motion; and the Court having jurisdiction to consider the Motion and the relief requested therein in accordance with 28 U.S.C. §§ 157 and 1334 and Amended Standing Order of Reference M-431, dated January 31, 2012 (Preska, C.J.); and consideration of the Motion and the relief requested therein being a core proceeding pursuant to 28 U.S.C. § 157(b); and venue being proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409; and due and sufficient notice of the Motion having been 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 attorneys for Republic's Codeshare Partners, (vi) the International Brotherhood of Teamsters, (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) the Banks (collectively, the "Notice Parties") and it appearing that no other or further notice need be

given; and upon the Motion, the papers in support thereof and the responses thereto, if any, the Bedford Declaration, the record of the Hearing, and all of the proceedings had before the Court; and the Court having found and determined that the relief sought in the Motion is an exercise of sound business judgment, is necessary to avoid immediate and irreparable harm to Republic and its estates as contemplated by Fed. R. Bankr. P. 6003, and is in the best interests of Republic, its estates, creditors, and all parties in interest, and that the legal and factual bases set forth in the Motion establish just cause for the relief granted herein; and after due deliberation and sufficient cause appearing therefor, it is

ORDERED that the Motion is granted on an interim basis, as provided herein; and it is further

ORDERED that, pursuant to sections 363(c) and 105(a) of the Bankruptcy Code, Republic is authorized and empowered to continue to manage its cash pursuant to the Cash Management System maintained by Republic prior to the Commencement Date, to collect, concentrate, disburse, and invest cash in accordance with the Cash Management System and Investment Policy, including intercompany transfers among Debtor affiliates, and to make ordinary course changes to the Cash Management System without further order of the Court; and it is further

ORDERED that, pursuant to sections 363(c) and 105(a) of the Bankruptcy Code, each of the Banks is authorized and directed to continue to honor, as directed by the Debtors, transfers of funds among the Bank Accounts, including the JPM Clearing Account; and it is further

ORDERED that Republic shall maintain accurate records of all transfers within the Cash Management System, in accordance with its prepetition practices, so that all

postpetition transfers and transactions shall be adequately and promptly documented in, and readily ascertainable from, Republic's books and records, to the same extent maintained by Republic prior to the Commencement Date; and it is further

ORDERED that Republic is authorized to: (i) designate, maintain, and continue to use any or all of its existing Bank Accounts identified on Schedule 1 annexed hereto (which shall be promptly amended to identify any Bank Accounts inadvertently omitted therefrom, with any such amendments being served on the U.S. Trustee and any statutory committee of unsecured creditors), in the names and with the account numbers existing immediately before the Commencement Date, (ii) deposit funds in and withdraw funds from such accounts by all usual means, including, without limitation, checks, wire transfers, ACH transfers and other debits, (iii) pay any bank fees or charges associated with the Bank Accounts, including any Service Charges, whether arising before or after the Commencement Date, and (iv) treat its prepetition Bank Accounts for all purposes as debtor in possession accounts; and it is further

ORDERED that Republic is authorized to continue to maintain the Bank Accounts with the same account numbers following the commencement, and during the pendency, of these cases; and it is further

ORDERED that Republic is authorized to open new bank accounts so long as (i) any such new account is with a bank that is (a) insured with the Federal Deposit Insurance Corporation or the Federal Savings and Loan Insurance Corporation and (b) designated as an authorized depository under the UST Guidelines and (ii) Republic provides notice to the U.S. Trustee and any statutory committee of unsecured creditors appointed in these cases, of the opening of such account; provided that all accounts opened on or after the Commencement Date

at any bank shall, for purposes of this Interim Order, be deemed a Bank Account as if it had been listed on Schedule 1 hereof; and it is further

ORDERED each of the Banks with which Republic maintained a Bank Account as of the Commencement Date is authorized and directed, without the need for further order of this Court, to debit Republic's respective accounts in the ordinary course of business for (i) all checks drawn on Republic's accounts which were cashed at such Bank's counters or exchanged for cashier's checks by the payees thereof prior to the Commencement Date and (ii) all undisputed prepetition amounts outstanding as of the date hereof, if any, owed to any Bank as Service Charges for the maintenance of the Bank Account or Cash Management System; and it is further

ORDERED that each of the Banks is authorized to charge, and Republic is authorized to pay or satisfy, both prepetition and postpetition service and other fees, costs, charges, and expenses to which the Banks may be entitled in the ordinary course under the terms of and in accordance with their contractual arrangements with Republic with respect to a Bank Account; and it is further

ORDERED that the Banks shall not be liable to any party on account of (a) following Republic's representations, instructions, or presentations as to any order of the Court (without any duty of further inquiry), (b) the honoring of any prepetition checks, drafts, wires, or other electronic fund transfers with a good-faith belief or upon a representation by Republic that the Court has authorized such prepetition check, draft, wire, or other electronic fund transfers, or (c) an innocent mistake made despite implementation of reasonable handling procedures; and it is further

ORDERED that Republic is authorized to close any Bank Accounts as it may deem necessary or appropriate, to the extent consistent with the terms of any order(s) of this Court relating thereto, and the relevant Banks are authorized and directed to honor Republic's requests to close such Bank Accounts; provided, that Republic shall give notice of the closure of any Bank Account to the U.S. Trustee and any statutory committee of unsecured creditors appointed in these cases; and it is further

ORDERED that Republic and the U.S. Trustee shall confer with regard to the waiver of the requirements of section 345(b) of the Bankruptcy Code and all rights are reserved; and it is further

ORDERED that Republic is authorized to use, in their present form, all Business Forms provided, however, that the Debtors shall (i) use reasonable efforts to include a reference to their status as a debtor in possession on any Business Form and (ii) as soon as reasonably practicable, designate their status as a debtor in possession on electronically generated Business Forms, including checks; and it is further

ORDERED that Republic is hereby authorized to execute any additional documents and reasonably cooperate with the Banks as may be necessary or appropriate to carry out the intent and purpose of this Interim Order; and it is further

ORDERED that nothing in the Motion or this Interim Order shall be deemed to authorize Republic to accelerate any payments not otherwise due prior to the date of the hearing to consider the entry of an order granting the relief requested in the Motion on a final basis (the "Final Hearing"); and it is further

ORDERED that (i) nothing contained in the Motion or this Interim Order is intended to be or shall be construed as (a) an admission as to the validity or priority of any claim

against Republic, (b) a waiver of Republic's or any appropriate party in interest's rights to dispute any claim, or (c) an approval or assumption of any agreement, contract, program, policy, or lease under section 365 of the Bankruptcy Code and (ii) any payment made pursuant to this Interim Order is not intended to be and shall not be construed as an admission as to the validity or priority of any claim or a waiver of Republic's rights to dispute such claim subsequently; and it is further

ORDERED that notwithstanding entry of this Interim Order, nothing herein shall create, nor is intended to create, any rights in favor of or enhance the status of any claim held by, any party; and it is further

ORDERED that the requirements of Fed. R. Bankr. P. 6003(b) have been satisfied; and it is further

ORDERED that the requirements set forth in Fed. R. Bankr. P. 6004(a) are hereby waived; and it is further

ORDERED that pursuant to Fed. R. Bankr. P. 6004(h), the terms and provisions of this Interim Order shall be immediately effective and enforceable upon its entry; and it is further

ORDERED that Republic shall serve a copy of this Interim Order within three (3) business days after its entry upon each of the Notice Parties and upon all parties having filed requests for notices in these cases pursuant to Fed. R. Bankr. P. 2002; and it is further

ORDERED that the Final Hearing on the Motion shall be held on **March 22, 2016 at 11:00 a.m. (Eastern Time)**, and (i) any objections or responses to the Motion and entry of an order granting the relief requested on a final basis shall be in writing, filed with the Court in accordance with local rules and orders of the Court, and 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, Esq. (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)) and (b) the Notice Parties, in each case so as to be received no later than at **4:00 p.m. (Eastern Time) on March 15, 2016** and (ii) replies, if any, shall be filed with the Court and served upon the Notice Parties so as to be received no later than **12:00 p.m. (Eastern Time) on March 18, 2016**; and it is further

ORDERED that Republic is authorized to take all steps necessary to carry out this Order; and it is further

ORDERED that this Court shall retain jurisdiction to hear and determine all matters arising from or related to the implementation, interpretation, or enforcement of this Order.

Dated: New York, New York
February 29, 2016

/s/ Sean H. Lane
United States Bankruptcy Judge

**Schedule 1
The Banks and Bank Accounts**

Entity	Bank	Acct Last 4	Type	Cur.	Address	Contact
Republic Airways Holdings Inc.	Bank of America	9785	Operating	USD	30 S Meridian Street, Suite 650, Indianapolis, IN 46204	Mike Riddle
Republic Airways Holdings Inc.	Bank of America	1560	Accounts Payable	USD	30 S Meridian Street, Suite 650, Indianapolis, IN 46204	Mike Riddle
Republic Airways Holdings Inc.	Bank of America	9670	Manual Payroll	USD	30 S Meridian Street, Suite 650, Indianapolis, IN 46204	Mike Riddle
Republic Airways Holdings Inc.	Bank of America	7605	LC Restricted Cash	USD	30 S Meridian Street, Suite 650, Indianapolis, IN 46204	Mike Riddle
Republic Airways Holdings Inc.	Bank of America	3476	Securities Custody	USD	30 S Meridian Street, Suite 650, Indianapolis, IN 46204	Mike Riddle
Republic Airline Inc.	Bank of America	2600	Operating	USD	30 S Meridian Street, Suite 650, Indianapolis, IN 46204	Mike Riddle
Republic Airline Inc.	Bank of America	1586	Accounts Payable	USD	30 S Meridian Street, Suite 650, Indianapolis, IN 46204	Mike Riddle
Republic Airline Inc.	Bank of America	3160	Manual Payroll	USD	30 S Meridian Street, Suite 650, Indianapolis, IN 46204	Mike Riddle
Shuttle America Corporation	Bank of America	3814	Operating	USD	30 S Meridian Street, Suite 650, Indianapolis, IN 46204	Mike Riddle
Shuttle America Corporation	Bank of America	7108	Accounts Payable	USD	30 S Meridian Street, Suite 650, Indianapolis, IN 46204	Mike Riddle
Shuttle America Corporation	Bank of America	9819	Manual Payroll	USD	30 S Meridian Street, Suite 650, Indianapolis, IN 46204	Mike Riddle
Shuttle America Corporation	Bank of America (Canada)	8207	Operating	CAD	200 Front St. Suite 2500, Toronto, CA M5V 3L2	Una Palmer
Shuttle America Corporation (Chautauqua)	Bank of America	4556	Operating	USD	30 S Meridian Street, Suite 650, Indianapolis, IN 46204	Mike Riddle
Midwest Air Group, Inc.	Bank of America	9120	Operating	USD	30 S Meridian Street, Suite 650, Indianapolis, IN 46204	Mike Riddle

Entity	Bank	Acct Last 4	Type	Cur.	Address	Contact
Republic Airline Inc.	JPMorgan	1038	Operating	USD	4 Chase Metrotech Center, 14th Floor, Brooklyn, NY 11245	Maria Iacoviello
Republic Airways Holdings Inc.	JPMorgan	1038	Operating	USD	4 Chase Metrotech Center, 14th Floor, Brooklyn, NY 11245	Maria Iacoviello
Shuttle America Corporation	JPMorgan	6755	Operating	USD	4 Chase Metrotech Center, 14th Floor, Brooklyn, NY 11245	Maria Iacoviello
Republic Airways Services, Inc.	JPMorgan	3380	Operating	USD	4 Chase Metrotech Center, 14th Floor, Brooklyn, NY 11245	Maria Iacoviello
Republic Airways Holdings Inc.	JPMorgan	0690	Investments Clearing		Nina L. Forlenza (Anoushian) Associate Cash & Liquidity Markets Corporate & Investment Bank J.P. Morgan 383 Madison Avenue - 4th Floor, New York, New York 10179 T: 212 622 6690 F: 347 750 1544 C: 516 524 3268 nina.l.forlenza@jpmorgan.com	
Republic Airline Inc.	US Bank	7576	ACH	USD	1301 Pennsylvania Ave NW, Suite 1100, Washington, DC 20004	Christina Sprance
Shuttle America Corporation	US Bank	7865	ACH	USD	1301 Pennsylvania Ave NW, Suite 1100, Washington, DC 20004	Christina Sprance
Republic Airways Holdings Inc.	Deutsche Bank	0741	Irrevocable Trust	USD	700 Louisiana Street, Ste 2400, Houston, TX 77002-2700	Frank Winford
Republic Airways Holdings Inc.	Key Bank	0496	Operating	USD	10 West Market Street, Suite 900, Indianapolis, IN 46204	Cynthia Draeger
Republic Airways Holdings Inc.	Key Bank	4121	Accounts Payable	USD	10 West Market Street, Suite 900, Indianapolis, IN 46204	Cynthia Draeger
Republic Airways Holdings Inc.	Key Bank	4139	Manual Payroll	USD	10 West Market Street, Suite 900, Indianapolis, IN 46204	Cynthia Draeger

Entity	Bank	Acct Last 4	Type	Cur.	Address	Contact
Republic Airline Inc.	Key Bank	0520	Operating	USD	10 West Market Street, Suite 900, Indianapolis, IN 46204	Cynthia Draeger
Republic Airline Inc.	Key Bank	4105	Accounts Payable	USD	10 West Market Street, Suite 900, Indianapolis, IN 46204	Cynthia Draeger
Republic Airline Inc.	Key Bank	4113	Manual Payroll	USD	10 West Market Street, Suite 900, Indianapolis, IN 46204	Cynthia Draeger
Shuttle America Corporation	Key Bank	0553	Operating	USD	10 West Market Street, Suite 900, Indianapolis, IN 46204	Cynthia Draeger
Shuttle America Corporation	Key Bank	4147	Accounts Payable	USD	10 West Market Street, Suite 900, Indianapolis, IN 46204	Cynthia Draeger
Shuttle America Corporation	Key Bank	4154	Manual Payroll	USD	10 West Market Street, Suite 900, Indianapolis, IN 46204	Cynthia Draeger
Shuttle America Corporation	Key Bank	0835	Operating	CAD	10 West Market Street, Suite 900, Indianapolis, IN 46204	Cynthia Draeger
Midwest Air Group, Inc.	Key Bank	0587	Operating	USD	10 West Market Street, Suite 900, Indianapolis, IN 46204	Cynthia Draeger