

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

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In re : **Chapter 11 Case No.**
REPUBLIC AIRWAYS HOLDINGS INC., et al., : **16-10429 (SHL)**
Debtors.¹ : **(Jointly Administered)**

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**ORDER PURSUANT TO 11 U.S.C. §§ 105(a) & 546(c)
ESTABLISHING AND IMPLEMENTING EXCLUSIVE AND GLOBAL
PROCEDURES FOR TREATMENT OF RECLAMATION CLAIMS**

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"), pursuant to sections 105(a) and 546(c) of title 11, United States Code (the "Bankruptcy Code"), for entry of an order authorizing the Debtors to establish and implement procedures to address and reconcile Reclamation Claims, all as more fully described 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

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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.

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, and (ix) the Office of the United States Attorney for the Southern District of New York (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 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 as provided herein; and it is further

ORDERED that the following reclamation procedures (the "Reclamation Procedures"), which are hereby approved and authorized in their entirety, shall apply to all Reclamation Claims:

- (a) Any Seller asserting a Reclamation Claim must satisfy all procedural and timing requirements entitling it to have a right to reclamation under section 546(c) of the Bankruptcy Code;

- (b) Any Seller asserting a Reclamation Claim must submit a written demand asserting such Reclamation Claim (a “Reclamation Demand”), which must include (i) a description of the Goods subject to the Reclamation Demand, (ii) the name of the Debtor to which such goods were delivered, (iii) copies of any purchasing orders, invoices, receipts, bills of lading and the like, identifying the particular Goods for which the Reclamation Demand is being asserted, (iv) any evidence regarding the date(s) such Goods were shipped to and received by Republic and the alleged value of such Goods, and (v) a statement indicating whether the Seller has filed or intends to file any other claim against any Debtor regarding the Goods with respect to which its Reclamation Demand is made;
- (c) Unless a Seller has made a Reclamation Demand to upon Republic within forty-five (45) days prior to the Commencement Date, any Seller asserting a Reclamation Claim must submit a Reclamation Demand so that it is received on or before twenty (20) calendar days after the Commencement Date (the “Reclamation Deadline”) by: (i) the Debtors, c/o Republic Airways Holdings Inc., 8909 Purdue Road, Suite 300, Indianapolis, Indiana 46268 (Attn: Ethan J. Blank, Esq. (Ethan.Blank@rjet.com)) and (ii) attorneys for Republic, 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));
- (d) Upon receipt of a Reclamation Demand, Republic will serve upon the Seller, at the address indicated in its Reclamation Demand, a copy of this Order granting the Motion;
- (e) No later than 120 days after entry of this Order granting the Motion (the “Reclamation Notice Deadline”), Republic will file with the Court a notice (the “Reclamation Notice”), listing the timely submitted Reclamation Claims and the amount (if any) of each such Reclamation Claim that Republic determines to be valid. Republic will serve the Reclamation Notice on the following parties (the “Notice Parties”), (i) the Office of the United States Trustee for the Southern District of New York (the “U.S. Trustee”), (ii) the attorneys for any statutory committee of unsecured creditors appointed in these chapter 11 cases, and (iii) each Seller listed in the Reclamation Notice, at the address indicated in the respective Seller’s Reclamation Demand;

- (f) If Republic fails to file the Reclamation Notice by the Reclamation Notice Deadline, any holder of a Reclamation Claim that submitted a timely Reclamation Demand in accordance with the Reclamation Procedures may bring a motion on its own behalf to seek relief with respect to its Reclamation Claim;
- (g) Any party that wishes to object to the Reclamation Notice must file and serve an objection (a “Reclamation Notice Objection”) on the Notice Parties and the attorneys for Republic, 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)), so as to be received no later than 4:00 p.m. (Eastern Time) on the twentieth (20th) day after the date on which the Reclamation Notice is filed (the “Objection Deadline”). Any Reclamation Notice Objection must include (i) a copy of the Reclamation Demand, with evidence of the date mailed to Republic and (ii) a statement describing with specificity the objections to the Reclamation Notice and any legal and factual bases for such objections;
- (h) Any Reclamation Claim listed in the Reclamation Notice for which no Reclamation Notice Objection is filed and served by the Objection Deadline shall be deemed allowed by the Court in the amount identified by Republic in the Reclamation Notice, provided that all issues relating to the treatment of any such allowed Reclamation Claim shall be reserved;
- (i) Notwithstanding and without limiting the foregoing, Republic will be authorized, but not required, to negotiate, in their sole discretion, with any Seller to seek an agreement resolving the Seller’s Reclamation Claim. If Republic and a Seller agree on the validity, amount, or treatment of the Seller’s Reclamation Claim, Republic will file with the Court a notice of settlement (a “Settlement Notice”) and serve such Settlement Notice on the Notice Parties. Each Notice Party will have ten (10) days from the date of service of such Settlement Notice to file with the Court and serve on the other Notice Parties and attorneys for Republic an objection thereto (a “Settlement Objection”);
- (j) If no Settlement Objection with respect to a Reclamation Claim that is the subject of a Settlement Notice is timely filed and served,

such Reclamation Claim will be treated in accordance with the Settlement Notice without further order of the Court;

- (k) If a Settlement Objection with respect to a Reclamation Claim that is the subject of a Settlement Notice is timely filed and served, the parties may negotiate a consensual resolution of such objection to be incorporated in a stipulation filed with the Court (a "Settlement Stipulation"). Upon the filing of a Settlement Stipulation, the applicable Reclamation Claim shall be allowed and treated in accordance with the terms of the Settlement Stipulation without further order of the Court;
- (l) If no consensual resolution of a Settlement Objection with respect to a Reclamation Claim that is the subject of a Settlement Notice is reached, Republic may file a motion with the Court requesting a hearing with respect to the Settlement Notice; and
- (m) All Sellers shall be forever barred, without further order of the Court, from asserting a Reclamation Demand after the expiration of the Reclamation Deadline, but shall not be barred from asserting, subject to applicable deadlines, related or unrelated general unsecured claims or administrative expense claims pursuant to section 503(b)(9) of the Bankruptcy Code.

; and it is further

ORDERED that the foregoing Reclamation Procedures shall be the sole and exclusive method for the assertion, determination or other resolution, and treatment of unpaid Reclamation Claims asserted against Republic; and it is further

ORDERED that all Sellers are prohibited from seeking any other means for the assertion, determination or other resolution, or treatment of their Reclamation Claims, including without limitation: (a) commencing adversary proceedings and contested matters in connection with any Reclamation Claims, (b) seeking to obtain possession of any Goods except as may be permitted by the Reclamation Procedures, and (c) interfering with the delivery of any Goods to Republic or the retention of any Goods by Republic; *provided, however*, that nothing in this Order shall bar a Seller from asserting a claim pursuant to section 503(b)(9) of the Bankruptcy Code by the applicable deadline; and it is further

ORDERED that any adversary proceedings or contested matters related to Reclamation Claims, whether currently pending or initiated in the future, except those proceedings initiated by Republic in accordance with the Reclamation Procedures, are stayed and the claims asserted therein shall be resolved exclusively pursuant to the Reclamation Procedures; and it is further

ORDERED that, to the extent a Reclamation Claim has been paid by Republic pursuant to another order entered by the Court in these chapter 11 cases, the Reclamation Procedures shall not apply to such Seller and any Reclamation Claim filed by such Seller with the Court shall be deemed withdrawn with prejudice and without the need for any further order of the Court; 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