

**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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FINAL ORDER PURSUANT TO 11 U.S.C. §§ 105(a), 362(d) & 363(b) (i) AUTHORIZING DEBTORS (a) TO ASSUME CLEARINGHOUSE AGREEMENTS *NUNC PRO TUNC* TO THE COMMENCEMENT DATE AND (b) IMMEDIATELY SATISFY CERTAIN PREPETITION SETTLEMENT OBLIGATIONS UNDER CLEARINGHOUSE AGREEMENTS, (ii) MODIFYING THE AUTOMATIC STAY, AND (iii) AUTHORIZING AND DIRECTING FINANCIAL INSTITUTIONS TO HONOR AND PROCESS RELATED CHECKS AND TRANSFERS

A hearing having been held on March 22, 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), 362(d), 363(b) and 365(a) of title 11, United States Code (the "Bankruptcy Code"), for entry of an order (i) authorizing Republic to (a) assume the Clearinghouse Agreements *nunc pro tunc* to the Commencement Date and (b) immediately satisfy certain related prepetition settlement obligations, (ii) modifying the automatic stay, and (iii) authorizing and directing financial institutions to honor and process related checks and transfers, all as more fully set forth in the Motion; and the Declaration of Bryan K. Bedford

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.

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 the 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 Mainline Airline 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, (x) the Clearinghouses, and (xi) the Banks (collectively, the “Notice Parties”), and it appearing that no other or further notice need be given; and a hearing having been held on February 26, 2016 to consider certain of the relief requested in the Motion on an interim basis (the “Interim Hearing”); and the Court having entered an order granting certain of the relief requested in the Motion on an interim basis (the “Interim Order”); and upon the Motion, the papers in support thereof and the responses thereto, if any, the Bedford Declaration, the record of the Hearing, the record of the Interim Hearing, and all of the proceedings had before the Court; and the appearances of all interested parties having been noted in the record of the Hearing and the record of the Interim Hearing; and the Court having found and determined that the relief sought in the Motion is an exercise of Republic’s 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 a final basis to the extent set forth herein; and it is further

ORDERED that any objections to the Motion that have not been withdrawn or resolved by the Interim Order or by this Order are overruled in all respects; and it is further

ORDERED that pursuant to section 365(a) of the Bankruptcy Code, the assumption of the Clearinghouse Agreements is approved *nunc pro tunc* to the Commencement Date; and it is further

ORDERED that, pursuant to sections 105(a), 363(b), and 365(a) of the Bankruptcy Code, Republic is authorized to honor, pay, or otherwise satisfy its prepetition Airline Clearing Transaction obligations under the Clearinghouse Agreements and to continue to perform and exercise its rights and obligations under the Clearinghouse Agreements in the ordinary course of business with respect thereto; and it is further

ORDERED that pursuant to section 362(d) of the Bankruptcy Code, the automatic stay is hereby modified solely to the extent necessary to enable Republic and the airline counterparties to the Clearinghouse Agreements to participate, in the ordinary course of business, in routine billings, settlements, and adjustments with respect to the Airline Clearing Transactions in accordance with the terms and conditions of the Clearinghouse Agreements, whether arising prior to the commencement of Republic's chapter 11 cases or thereafter; and it is further

ORDERED that nothing in this Order shall be deemed to authorize (i) Republic to satisfy any prepetition obligations to nonairline Third Party Participants or (ii) Republic's assumption of any executory contract or unexpired lease pursuant to section 365 of the Bankruptcy Code other than the Clearinghouse Agreements, and all of Republic's rights with respect thereto are expressly preserved; and it is further

ORDERED that each of the Banks is hereby authorized and directed, when requested by Republic in its sole discretion, to receive, process, honor, and pay, to the extent of sufficient funds on deposit or otherwise available therefor, any and all checks drawn on Republic's disbursement accounts and any automatic or other electronic fund transfers that are related to the Airline Clearing Transactions, whether those checks were presented, or fund transfers initiated, before or after the Commencement Date; and it is further

ORDERED that Republic shall serve a copy of this Order upon (i) the proposed attorneys for the official committee of unsecured creditors, (ii) the attorneys for the Ad Hoc Committee of Equity Holders of Republic Airways Holdings Inc., and (iii) each of the Notice Parties within three (3) business days of its entry; and it is further

ORDERED that the notice procedures set forth herein are good and sufficient notice and satisfy Fed. R. Bankr. P. 6006 and 9014 and Local Bankruptcy Rules 6006-1(a) and 9006-1 by providing appropriate notice and an opportunity to object and be heard at a hearing; and it is further

ORDERED that notwithstanding entry of this Order, nothing herein shall create, and nothing herein 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 Order shall be immediately effective and enforceable upon its entry; and it is further

ORDERED that this Order shall not impair or otherwise affect any action taken pursuant to the Interim Order; 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
March 23, 2016

/s/ Sean H. Lane
United States Bankruptcy Judge

Schedule 1

Banks and Other Financial Institutions

Entity	Bank	Acct Last 4	Type	Cur.
Republic Airways Holdings Inc.	Bank of America	9785	Operating	USD
Republic Airways Holdings Inc.	Bank of America	1560	Accounts Payable	USD
Republic Airways Holdings Inc.	Bank of America	9670	Manual Payroll	USD
Republic Airways Holdings Inc.	Bank of America	7605	LC Restricted Cash	USD
Republic Airways Holdings Inc.	Bank of America	3476	Securities Custody	USD
Republic Airline Inc.	Bank of America	2600	Operating	USD
Republic Airline Inc.	Bank of America	1586	Accounts Payable	USD
Republic Airline Inc.	Bank of America	3160	Manual Payroll	USD
Shuttle America Corporation	Bank of America	3814	Operating	USD
Shuttle America Corporation	Bank of America	7108	Accounts Payable	USD
Shuttle America Corporation	Bank of America	9819	Manual Payroll	USD
Shuttle America Corporation	Bank of America (Canada)	8207	Operating	CAD
Shuttle America Corporation (Chautauqua)	Bank of America	4556	Operating	USD
Midwest Air Group, Inc.	Bank of America	9120	Operating	USD
Republic Airline Inc.	JPMorgan	1038	Operating	USD
Republic Airways Holdings Inc.	JPMorgan	1038	Operating	USD
Shuttle America Corporation	JPMorgan	6755	Operating	USD
Republic Airways Services, Inc.	JPMorgan	3380	Operating	USD
Republic Airways Holdings Inc.	JPMorgan	0690	Investments Clearing	
Republic Airline Inc.	US Bank	7576	ACH	USD
Shuttle America Corporation	US Bank	7865	ACH	USD
Republic Airways Holdings Inc.	Deutsche Bank	0741	Irrevocable Trust	USD
Republic Airways Holdings Inc.	Key Bank	0496	Operating	USD
Republic Airways Holdings Inc.	Key Bank	4121	Accounts Payable	USD
Republic Airways Holdings Inc.	Key Bank	4139	Manual Payroll	USD
Republic Airline Inc.	Key Bank	0520	Operating	USD
Republic Airline Inc.	Key Bank	4105	Accounts Payable	USD
Republic Airline Inc.	Key Bank	4113	Manual Payroll	USD
Shuttle America Corporation	Key Bank	0553	Operating	USD
Shuttle America Corporation	Key Bank	4147	Accounts Payable	USD
Shuttle America Corporation	Key Bank	4154	Manual Payroll	USD
Shuttle America Corporation	Key Bank	0835	Operating	CAD
Midwest Air Group, Inc.	Key Bank	0587	Operating	USD