

**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) & 503(b)
AUTHORIZING DEBTORS TO CONTINUE INSURANCE PROGRAMS AND SATISFY
INSURANCE OBLIGATIONS, (ii) MODIFYING THE AUTOMATIC STAY WITH
RESPECT TO WORKERS' COMPENSATION CLAIMS, AND (iii) AUTHORIZING
AND DIRECTING FINANCIAL INSTITUTIONS TO HONOR AND PAY RELATED
CHECKS AND FUND 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 503(b) of title 11, United States Code (the "Bankruptcy Code"), for entry of an order (i) authorizing, but not directing, Republic to continue its Insurance Programs and satisfy all Insurance Obligations in connection therewith, including, without limitation, premiums, deductibles, taxes, and broker and other fees, whether arising prepetition or postpetition, (ii) modifying the automatic stay under section 362 of the Bankruptcy Code to the extent necessary to permit Republic employees who hold valid claims

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 have the meanings ascribed to them in the Motion.

under the Workers' Compensation Programs, to proceed with such claims, and (iii) authorizing and directing the Banks at which Republic maintains disbursement accounts to honor and pay all related claims and fund transfers, all as more fully set forth in 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 a hearing having been held on February 26, 2016 to consider the relief requested in the Motion on an interim basis (the "Interim Hearing"); and the Court having entered an order granting 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 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, 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 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 sections 363(b) and 105(a) of the Bankruptcy Code, Republic is authorized, but not directed, to pay or otherwise satisfy, in its discretion and without further order of the Court, all Insurance Obligations (including, without limitation, premiums, deductibles, taxes, and broker and other fees) arising under or relating to the Insurance Programs, including those Insurance Programs listed on Schedule 2 hereto, regardless of whether relating to the period before or after the Commencement Date; and it is further

ORDERED that Republic is authorized to satisfy all Insurance Obligations and maintain its Insurance Programs in accordance with practices and procedures that were in effect before the commencement of these chapter 11 cases; and it is further

ORDERED that Republic is authorized to revise, extend, supplement, or modify its insurance coverage as needed, including without limitation, through the purchase or renewal

of new or existing insurance policies; provided, however, that any financing agreement shall be subject to further order of the Court; and it is further

ORDERED that the automatic stay under section 362(a) of the Bankruptcy Code is modified solely to allow Republic's employees to proceed with their Workers' Compensation Claims in the appropriate judicial or administrative forum and only in accordance with the Workers' Compensation Programs; provided that recoveries, if any, shall be limited to the proceeds from the Workers' Compensation Programs; and it is further

ORDERED that each of the Banks is hereby authorized and directed to receive, process, honor, and pay at Republic's direction, to the extent of sufficient funds on deposit or otherwise available therefor, any and all checks drawn or automatic or other electronic fund transfers requested or to be requested by Republic in respect of any Insurance Obligations, whether relating to the period prior to or after the Commencement Date; and it is further

ORDERED that Republic is authorized, but not directed, to issue new postpetition checks, or effect new electronic fund transfers, on account of the Insurance Obligations to replace any prepetition checks or electronic fund transfer requests that may be lost, dishonored, or rejected as a result of the commencement of these chapter 11 cases; and it is further

ORDERED that each of the Banks is hereby authorized and directed to rely upon the representations of Republic as to which checks and transfers to honor with respect to the payment of Insurance Obligations; 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., (iii) each of the Notice Parties, and (iv) the Insurance Carriers within three (3) business days of its entry; and it is further

ORDERED that (a) nothing contained in the Motion or in this Order is intended to be or shall be construed as (i) an admission as to the validity or priority of any claim against Republic, (ii) a waiver of Republic's or any appropriate party in interest's rights to dispute any claim, or (iii) an approval or assumption of any agreement, contract, program, policy, or lease under section 365 of the Bankruptcy Code and (b) any payment made pursuant to this 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 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 Order shall be immediately effective and enforceable upon its entry; and it is further

ORDERED that the requirements set forth in Fed. R. Bankr. P. 4001(a)(3) and Local Bankruptcy Rule 4001-1 are hereby waived; 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

**Schedule 2
Insurance Programs**

Type of Coverage	Policy Term	Carrier	Policy Number	Annual Premium
Commercial Auto	2/1/2016 to 2/1/2017	The Travelers Indemnity Co.	BA9277A58416HPR (all states)	\$196,440
Commercial Property	2/1/2016 to 2/1/2017	The Travelers Indemnity Co.	KTJ6300330L430TIL-16	\$190,891
Aviation Hull & Liability	7/1/2015 to 7/1/2016	Allianz Global Risks US Insurance Company	A1AI000018915AM	\$1,132,135 \$127,500 (Leader Fee)
		JLT Aerospace (various carriers)	J51511546	\$1,240,814
		Isosceles Insurance Ltd.	J51511547	\$3,411,972
		Starnet Insurance Co. per Berkley Aviation LLC	BA-15-07-00104	\$190,752
		Commerce and Industry Insurance Co. Per AIG Aerospace Adjustment Services, Inc.	HL03391712-15	\$1,159,533
		Starr Surplus Lines Insurance Company	SASLAMR63615615-04	\$1,142,974
		Ironshore Specialty Insurance Co.	IHM100030-08	\$175,842
		XL Specialty Insurance Co.	UA00006054AV15A	\$279,923
		Old Republic Insurance Co. thru Old Republic Aerospace	RAL000023-01	\$171,564
Excess Aviation War, Hi-Jacking and Other Perils (AVN52)	7/1/2015 to 7/1/2016	Lloyd's Syndicate 1919 (Starr Underwriting Agents, Ltd.	J51511537	\$56,198
		Lancashire Ins. Company (UK) Ltd.	J51511539	\$57,294
		Axis Specialty Europe SE	J51511540	\$46,562

Type of Coverage	Policy Term	Carrier	Policy Number	Annual Premium
		Axis Specialty Europe SE	J51511536	\$51,445
		XL Specialty	UA00010033AV15A	\$33,211
		International Insurance Company of Hannover	J51511550	\$68,223
		Amlin Plc (AM 2001)	J51511548	\$196,448
		Lloyd's Syndicate 4472 (Liberty)	J51511926	\$10,622
Aviation Hull, War, Hijacking and Other Perils Ins.	7/1/2015 to 7/1/2016	Lloyd's of London Syndicate	J51409986	\$317,534
Mexico Aviation Liability	5/1/2015 to 5/1/2016	Allianz, Mexico S.A.	AVRD/00000186	\$6,900
Workers' Compensation	2/1/2016 to 2/1/2017	Starr Indemnity and Liability Co.	100 0001621	\$10,147,908
Directors and Officers Liability – Primary	6/1/2015 to 6/1/2016	Illinois National Insurance Company	01-354-30-77	\$188,264
Directors and Officers Liability – First Layer	6/1/2015 to 6/1/2016	XL Specialty Insurance Company	ELU139242-15	\$115,000
Directors and Officers Liability – Second Layer	6/1/2015 to 6/1/2016	Continental Casualty Company	425563629	\$74,000
Directors and Officers Liability – Third Layer	6/1/2015 to 6/1/2016	Federal Insurance Company	8222-1614	\$51,266
Fiduciary Liability	6/1/2015 to 6/1/2016	Illinois National Insurance Company	01-354-17-16	\$22,624
Fiduciary Excess	6/1/2015 to 6/1/2016	Berkley Insurance Co.	18010143	\$13,000
Crime	6/1/2015 to 6/1/2016	Federal Insurance Company	8223-0426	\$49,220
Kidnap and Ransom	12/1/2013 to 12/1/2016	Federal Insurance Company	8223-0782	\$13,753

Type of Coverage	Policy Term	Carrier	Policy Number	Annual Premium
Ohio Bureau of Workers' Compensation	7/1/2015 to 7/1/2016	N/A	1538367 1538351	\$1,857,894
Life Insurance for Chief Executive Officer	12/1/2015 to 11/30/2016	Jackson National Life Insurance	VINY013903	\$31,975