

**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.<sup>1</sup>** : **(Jointly Administered)**

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**ORDER PURSUANT TO 11 U.S.C. §§ 105(a), 363(b), 365, 554 & 1110  
AND FED. R. BANKR. P. 6006 & 6007 AUTHORIZING DEBTORS TO  
TRANSFER TITLE TO AND ABANDON CERTAIN OWNED AIRCRAFT  
AND ENGINES AND REJECT RELATED AIRCRAFT LEASE**

A hearing having been held on March 22, 2016 (the "Hearing"), to consider the motion, dated March 4, 2016 (the "Motion"),<sup>2</sup> 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), 363(b), 365(a), and 554(a) of the Bankruptcy Code and rules 6006 and 6007 of the Federal Rules of Bankruptcy Procedure, for entry of an order authorizing Republic (a) to transfer title to certain aircraft (including engines and other related equipment) or engines specified on Annex 1 hereto owned by Republic (collectively, together with all related Aircraft Records and all related "equipment," as described in section 1110(a)(3) of the Bankruptcy Code, the "Excess Owned Equipment") to the Owned Aircraft Secured Parties identified in Annex 1, (b) to abandon the Excess Owned Equipment, and (c) to reject the lease (the "Lease") for the Excess Owned Equipment specified on Annex 2 to the proposed order, each

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1. The Debtors in these chapter 11 cases are the following entities: Republic Airways Holdings Inc.; Republic Airways Services, Inc.; Republic Airline Inc.; Shuttle America Corporation; 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 defined herein have the meanings ascribed to them in the Motion.

as more fully described 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 in accordance with the Court's Case Management Order dated March 2, 2016 (ECF No. 70), and it appearing that no other or further notice need be given; and the Objections of Citibank N.A. (the "Citibank Limited Objection") and the Ad Hoc Committee of Equity Holders (the "Equity Holders Objection") having been filed with the Court on March 15, 2016; and the Debtors' Reply in Further Support of Their Motion having been timely filed with the Court on March 20, 2016 (the "Reply"); and the Supplemental Response of Citibank N.A. (together with the Citibank Limited Objection, the "Citibank Objections") having been filed with the Court on March 21, 2016, and the Equity Holders Objection having been withdrawn on March 22, 2016; and the Court having considered the Motion, the papers in support thereof, the Citibank Objections, the Reply, the Bedford Declaration, the record of the 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 Court having found and determined that the Motion satisfies the requirements of Fed. R. Bankr. P. 6006 and 6007 and 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, and for reasons stated in the record of the Hearing; it is

ORDERED that the Motion is hereby granted as provided herein; and it is further

ORDERED that the Citibank Objections are overruled in all respects; and it is further

ORDERED that, pursuant to section 363(b) of the Bankruptcy Code, Republic's transfer of title to each item of Excess Owned Equipment to the relevant Owned Aircraft Secured Parties as of the relevant Effective Date (as set forth in Annex 1) is approved; and it is further

ORDERED that, pursuant to section 554(a) of the Bankruptcy Code and Fed. R. Bankr. P. 6007, Republic's abandonment of each Excess Owned Aircraft as of the applicable Effective Date (as set forth in Annex 1) is approved; and it is further

ORDERED that, pursuant to section 365 of the Bankruptcy Code and Fed. R. Bankr. P. 6006, Republic's rejection of the Lease as of the relevant Effective Date (as set forth in Annex 2) is approved; and it is further

ORDERED that Republic will as soon as reasonably practicable after date of entry of this Order make available all "records and documents" (as defined in section 1110(a)(3)(B) of the Bankruptcy Code) in its possession related to the Excess Owned Equipment (collectively, the "Aircraft Records") to the appropriate Owned Aircraft Secured Party; and it is further

ORDERED that Republic shall return or surrender the Excess Owned Equipment to the applicable Owned Aircraft Secured Party at the location provided in Annex 1 hereto and in accordance with the return and surrender procedures set forth in this Order, provided that Republic and the applicable Owned Aircraft Secured Party may agree in writing that the Excess Owned Equipment will be returned to or surrendered at another location(s) or according to other return or surrender procedures; and it is further

ORDERED that if any of the Excess Owned Equipment happen to be non-serviceable, Republic is under no obligation to repair such Excess Owned Equipment to make it serviceable; and it is further

ORDERED that this Order is without prejudice to the rights, if any, of (i) any Owned Aircraft Secured Party to assert a claim of any priority for damages for failure to comply or delay by the Debtors to satisfy all surrender, return, or turnover provisions with respect to any portion of the Excess Owned Equipment or for improper or inadequate record keeping with respect to the Aircraft Records, under the applicable security agreement or other operative documents or under the Bankruptcy Code (including, without limitation, section 1110(c)), including entitlement to debt service or damages, or an administrative expense claim with respect to debt service or damages, if any, or a claim for other contractual payments, including any indemnities, fees and expenses, if any, or (ii) the Debtors or any other party to object to any such claims or their asserted priority; provided, however, that to the extent Republic and the applicable Owned Aircraft Secured Party agree in writing that the Excess Owned Equipment shall be returned or surrendered in a manner other than that specified in the Order, with respect to specific matters delineated in such agreement, the applicable Owned Aircraft Secured Party shall not have any claim for damages relating to Republic's compliance with such agreement in lieu of the requirements set forth in the applicable security agreement (but all other claims and priority rights (and defenses thereto) shall be fully preserved); and it is further

ORDERED that this Order is without prejudice to the rights, if any, of (i) the Debtor(s) to assert any claim or cause of action under the Bankruptcy Code or applicable law against any Owned Aircraft Secured Party for its failure to sell its respective surrendered Excess Owned Equipment in a commercially reasonable manner as required by law, account to Republic

and the Court for the proceeds, and return any surplus to Republic or (ii) the relevant Owned Aircraft Secured Party to object to or assert any defense to any such claims; and it is further

ORDERED that, upon written request from an Owned Aircraft Secured Party, Republic shall cooperate reasonably with such Owned Aircraft Secured Party with respect to the execution of or provision of information required for a lease termination document or other documentation, as appropriate, to be filed with the FAA in connection with such Excess Owned Equipment, but that the Owned Aircraft Secured Party shall be solely responsible for all costs associated with such documentation and for the filing thereof with the FAA; and it is further

ORDERED that Republic is authorized to and shall maintain its current insurance coverage and continue the existing storage maintenance program applicable to each item of the Excess Owned Equipment until the Aircraft Coverage Termination Date; provided, however, that Republic may maintain its current insurance coverage and continue the existing storage maintenance program for the Excess Owned Equipment after the Aircraft Coverage Termination Date if the relevant Owned Aircraft Secured Party so requests and agrees in writing to pay promptly all the costs of insurance and storage maintenance for such extended period; provided, further, that if there is such an extension of the Aircraft Coverage Termination Date, the Debtors shall not be subject to, and the Owned Aircraft Secured Party shall not assert, any additional administrative expense claims (including without limitation adequate protection claims) as a result of such extension but all other bases for administrative claims (including, without limitation, any failure by the Debtors to return all equipment by the extended Effective Date) (as well as all rights to object thereto) are fully preserved and reserved. For the purpose of this Order “Aircraft Coverage Termination Date” shall mean the earlier of (i) the later of the fifteenth (15th) day after (a) the date of entry of this Order and (b) the date on which the relevant Excess

Owned Equipment is made available to the relevant Owned Aircraft Secured Party and (ii) the date on which the relevant Owned Aircraft Secured Party takes possession of such Excess Owned Equipment; and it is further

ORDERED that on the Effective Date, the automatic stay of section 362(a) of the Bankruptcy Code shall not apply to the Excess Owned Equipment or actions or proceedings taken by the Owned Aircraft Secured Party in connection therewith, including but not limited to providing notices, enforcing rights and taking remedies permitted under the relevant security agreements and applicable non-bankruptcy law with respect to the Excess Owned Equipment; and it is further

ORDERED that claims arising out of any rejection effected pursuant to these procedures must timely be filed in accordance with any order pursuant to Rule 3003(c) of the Federal Rules of Bankruptcy Procedure establishing a deadline by which prepetition general unsecured claims must be filed, on or before such deadline; and it is further

ORDERED that Republic is authorized to execute and deliver all instruments and documents and take any additional actions as are necessary or appropriate to implement and effectuate the rejections approved hereby; and it is further

ORDERED that the Motion satisfies rules 2002, 6006, 9014, and 6007 of the Federal Rules of Bankruptcy Procedure and Local Bankruptcy Rule 6007-1; and it is further

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

Dated: New York, New York

March 23, 2016

/s/ Sean H. Lane  
Honorable Sean H. Lane  
United States Bankruptcy Judge

**Annex 1 to Order: Excess Owned Equipment**

**Alphabetical index of parties in this schedule:**

**Aerodynamics Incorporated:** Row 4

**Citibank N.A.:** Rows 1-8

Row No., Debtor	Notice Parties	U.S. Reg. No	MSN	Aircraft/ Engine Mfr. & Model	ESN #1	ESN #2	Location of Airframe and Engines	Effective Date
1. Republic Airline Inc.	<u>Administrative Agent:</u> Citibank N.A. 1615 Brett Rd. OPS 3 New Castle, DE 19720 Fax: (212) 994-0847 Attention: Owen Coyle	N261SK	145144	Embraer ERJ-145LR	CAE311168	CAE311170	Kingman Airline Services 9900 Flightline Drive Kingman, AZ 86401  <i>CAE311168</i> Aerolitoral S.A. de C.V. Carretera Miguel Aleman km 22.8 Apodaca Nuevo Leon C.P. 66600 Mexico	March 4, 2016
2. Republic Airline Inc.	<u>Administrative Agent:</u> Citibank N.A. 1615 Brett Rd. OPS 3 New Castle, DE 19720 Fax: (212) 994-0847 Attention: Owen Coyle	N262SK	145168	Embraer ERJ-145LR	CAE311207	CAE311208	Kingman Airline Services 9900 Flightline Drive Kingman, AZ 86401	March 4, 2016
3. Republic Airline Inc.	<u>Administrative Agent:</u> Citibank N.A. 1615 Brett Rd. OPS 3 New Castle, DE 19720 Fax: (212) 994-0847 Attention: Owen Coyle	N263SK	145199	Embraer ERJ-145LR	CAE311280	CAE311281	Kingman Airline Services 9900 Flightline Drive Kingman, AZ 86401	March 4, 2016

Row No., Debtor	Notice Parties	U.S. Reg. No	MSN	Aircraft/ Engine Mfr. & Model	ESN #1	ESN #2	Location of Airframe and Engines	Effective Date
4. Republic Airline Inc.	<p><u>Administrative Agent:</u> Citibank N.A. 1615 Brett Rd. OPS 3 New Castle, DE 19720 Fax: (212) 994-0847 Attention: Owen Coyle</p> <p><u>Lessee:</u> Aerodynamics Incorporated 25700 Science Park Drive Suite 210 Beachwood, Ohio 44122 Attention: Darrell Richardson Email: drichardson@flyadi.com</p>	N974RP	145203	Embraer ERJ-145MP	CAE311294	CAE311543	<p>Aerodynamics Incorporated 25700 Science Park Dr. Suite. 210 Beachwood, OH 44122</p> <p>CAE 311294 Kingman Airline Services 9900 Flightline Drive Kingman, AZ 86401</p>	March 4, 2016
5. Republic Airline Inc.	<p><u>Administrative Agent:</u> Citibank N.A. 1615 Brett Rd. OPS 3 New Castle, DE 19720 Fax: (212) 994-0847 Attention: Owen Coyle</p>	N975RP	145337	Embraer ERJ-145MP	CAE311580	CAE311584	<p>Kingman Airline Services 9900 Flightline Drive Kingman, AZ 86401</p> <p>CAE311580 Louisville International Airport 600 Terminal Drive Louisville, KY 40209</p>	March 4, 2016
6. Republic Airline Inc.	<p><u>Administrative Agent:</u> Citibank N.A. 1615 Brett Rd. OPS 3 New Castle, DE 19720 Fax: (212) 994-0847 Attention: Owen Coyle</p>	N976RP	145322	Embraer ERJ-145MP	CAE311286	CAE311544	<p>Kingman Airline Services 9900 Flightline Drive Kingman, AZ 86401</p> <p>CAE 311286 Aerodynamics Incorporated 25700 Science Park Dr. Suite. 210 Beachwood, OH 44122</p>	March 4, 2016
7. Republic Airline Inc.	<p><u>Administrative Agent:</u> Citibank N.A. 1615 Brett Rd. OPS 3 New Castle, DE 19720 Fax: (212) 994-0847 Attention: Owen Coyle</p>	N/A	N/A	Rolls-Royce AE3007	CAE311452	N/A	<p>Louisville International Airport 600 Terminal Drive Louisville, KY 40209</p>	March 4, 2016

Row No., Debtor	Notice Parties	U.S. Reg. No	MSN	Aircraft/ Engine Mfr. & Model	ESN #1	ESN #2	Location of Airframe and Engines	Effective Date
8. Republic Airline Inc.	<u>Administrative Agent:</u> Citibank N.A. 1615 Brett Rd. OPS 3 New Castle, DE 19720 Fax: (212) 994-0847 Attention: Owen Coyle	N/A	N/A	GE-E994823	GE CF34-10E6	N/A	Port Columbus International Airport 4600 International Gateway Columbus, OH 43219	March 4, 2016

**Annex 2 to Order: Excess Owned Equipment Leased to Third Parties by Debtors**

Row No., Debtor	Notice Parties	U.S. Reg. No	MSN	Aircraft Mfr. & Model	ESN #1	ESN #2	Location of Airframe and Engines	Effective Date
Shuttle America Corp.	<p><u>Administrative Agent:</u> Citibank N.A. 1615 Brett Rd. OPS 3 New Castle, DE 19720 Fax: (212) 994-0847 Attention: Owen Coyle</p> <p><u>Lessee:</u> Aerodynamics Incorporated 25700 Science Park Drive Suite 210 Beachwood, Ohio 44122 Attention: Darrell Richardson Email: drichardson@flyadi.com</p>	N974RP	145203	Embraer ERJ-145MP	CAE311294	CAE311543	<p>Aerodynamics Incorporated 25700 Science Park Dr. Suite. 210 Beachwood, OH 44122</p> <p><i>CAE 311294</i> Kingman Airline Services 9900 Flightline Drive Kingman, AZ 86401</p>	March 4, 2016