

**Hearing Date & Time: November 17, 2016 at 11:00 a.m. (Eastern Time)**  
**Objection Deadline: November 10, 2016 at 4:00 p.m. (Eastern Time)**

Bruce R. Zirinsky  
Sharon J. Richardson  
Gary D. Ticoll  
ZIRINSKY LAW PARTNERS PLLC  
375 Park Avenue, Suite 2607  
New York, New York 10152  
(212) 763-0192

Christopher K. Kiplok  
Erin E. Diers  
HUGHES HUBBARD & REED LLP  
One Battery Park Plaza  
New York, New York 10004  
(212) 837-6000

*Attorneys for the Debtors  
and Debtors in Possession*

**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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**NOTICE OF HEARING ON DEBTORS' MOTION PURSUANT TO 11 U.S.C. §§ 363(b)  
AND 365(a) AND FED. R. BANKR. P. 6004, 6006 AND 9019 FOR AUTHORIZATION  
TO (I) ENTER INTO SETTLEMENT AGREEMENT WITH BOMBARDIER INC.,  
LEARJET, INC. AND C SERIES AIRCRAFT LIMITED PARTNERSHIP AND (II)  
ASSUME PURCHASE AGREEMENT, AS AMENDED, WITH BOMBARDIER INC.**

**PLEASE TAKE NOTICE** that a hearing will be held at **11:00 a.m. (Eastern  
Time) on November 17, 2016** before the Honorable Sean H. Lane, United States Bankruptcy

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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.

Judge, United States Bankruptcy Court for the Southern District of New York, One Bowling Green, New York, New York 10004 to consider *Debtors' Motion Pursuant to 11 U.S.C. §§ 363(b) and 365(a) and Fed. R. Bankr. P. 6004, 6006 and 9019 for Authorization to (I) Enter Into Settlement Agreement with Bombardier Inc., Learjet Inc. and C Series Aircraft Limited Partnership and (II) Assume Purchase Agreement, As Amended, with Bombardier Inc.* (the "Motion").

**PLEASE TAKE FURTHER NOTICE** that any responses or objections (the "Objections") to the Motion shall be in writing, shall conform to the Federal Rules of Bankruptcy Procedure and the Local Bankruptcy Rules for the Southern District of New York, shall be filed with the Bankruptcy Court (a) by attorneys practicing in the Bankruptcy Court, including attorneys admitted pro hac vice, electronically pursuant to the Case Management Procedures approved by the Court (ECF No. 70) and in accordance with General Order M-399 (which can be found at [www.nysb.uscourts.gov](http://www.nysb.uscourts.gov)), and (b) by all other parties in interest, on a CD-ROM, in text-searchable portable document format (PDF) (with a hard copy delivered directly to Chambers), in accordance with the customary practices of the Bankruptcy Court and General Order M-399, to the extent applicable, and shall be served in accordance with General Order M-399 on (i) the 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](mailto:bzirinsky@zirinskylaw.com)), Sharon J. Richardson, Esq. ([srichardson@zirinskylaw.com](mailto:srichardson@zirinskylaw.com)), and Gary D. Ticoll, Esq. ([gticoll@zirinskylaw.com](mailto: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](mailto:chris.kiplok@hugheshubbard.com)) and Gabrielle Glemann, Esq. ([gabrielle.glemann@hugheshubbard.com](mailto:gabrielle.glemann@hugheshubbard.com))), (ii) the Office of the United States Trustee, 201 Varick Street, Suite 1006, New York, New York 10014 (Attn: Brian

Masumoto, Esq.), (iii) counsel to the Official Committee of Unsecured Creditors, Morrison & Foerster LLP, 250 West 55th Street, New York, New York 10019 (Attn: Brett H. Miller, Esq. (bmiller@mof.com), Todd M. Goren, Esq. (tgoren@mof.com), and Erica J. Richards, Esq. (erichards@mof.com)), and (iv) counsel to the Ad Hoc Committee of Equity Holders of Republic Airways Holdings Inc., Schulte Roth & Zabel LLP, 919 Third Avenue, New York, New York 10022 (Attn: Adam C. Harris, Esq. (adam.harris@srz.com), Lawrence V. Gelber, Esq. (lawrence.gelber@srz.com), and David M. Hillman, Esq. (david.hillman@srz.com)), so as to be so filed and received no later than **November 10, 2016 at 4:00 p.m. (Eastern Time)**.

**PLEASE TAKE FURTHER NOTICE** that if no Objections are timely filed and served, the relief requested in the Motion may be granted with no further notice or opportunity to be heard.

Dated: New York, New York  
October 20, 2016

/s/ Gary D. Ticoll  
Bruce R. Zirinsky  
Sharon J. Richardson  
Gary D. Ticoll  
ZIRINSKY LAW PARTNERS PLLC  
375 Park Avenue, Suite 2607  
New York, New York 10152  
(212) 763-0192  
bzirinsky@zirinskylaw.com  
srichardson@zirinskylaw.com  
gticoll@zirinskylaw.com

Christopher K. Kiplok  
Erin E. Diers  
HUGHES HUBBARD & REED LLP  
One Battery Park Plaza  
New York, New York 10004  
(212) 837-6000  
chris.kiplok@hugheshubbard.com  
erin.diers@hugheshubbard.com

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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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**DEBTORS' MOTION PURSUANT TO 11 U.S.C. §§ 363(b) AND 365(a) AND  
FED. R. BANKR. P. 6004, 6006 AND 9019 FOR AUTHORIZATION TO (I) ENTER  
INTO SETTLEMENT AGREEMENT WITH BOMBARDIER INC., LEARJET, INC.  
AND C SERIES AIRCRAFT LIMITED PARTNERSHIP AND (II) ASSUME  
PURCHASE AGREEMENT, AS AMENDED, WITH BOMBARDIER INC.**

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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.

TO THE HONORABLE SEAN H. LANE  
UNITED STATES BANKRUPTCY JUDGE:

Republic Airways Holdings Inc. (“RAH”) and those of its subsidiaries that are debtors and debtors in possession in these proceedings (together with RAH, “Republic” or the “Debtors”) respectfully represent:

**Background**

1. On February 25, 2016 (the “Commencement Date”), the Debtors each commenced in this Court a voluntary case under chapter 11 of title 11 of the United States Code (the “Bankruptcy Code”). The Debtors are authorized to continue to operate their businesses and manage their properties as debtors in possession pursuant to Bankruptcy Code sections 1107(a) and 1108.

2. The Debtors’ chapter 11 cases are being jointly administered for procedural purposes only pursuant to Rule 1015(b) of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”).

3. On March 4, 2016, the United States Trustee formed an Official Committee of Unsecured Creditors in the Debtors’ cases. No trustee or examiner has been appointed in the Debtors’ cases.

4. Detailed information regarding Republic’s business, capital structure, and the circumstances leading to the commencement of these chapter 11 cases is set forth in the Declaration of Bryan K. Bedford Pursuant to Local Bankruptcy Rule 1007-2, filed with the Court on the Commencement Date.

5. On May 10, 2016, Learjet, Inc. (“Learjet”) filed proof of 503(b)(9) claims 323 and 338 in the amount of \$156,862.97 against RAH in connection with delivery of aircraft parts (the “Asserted 503(b)(9) Claims”). On July 22, 2016, Bombardier Inc. (“Bombardier”)

filed (i) proof of claim No. 975 (the “RAH Claim”) in the amount of \$72,237,662.80 against RAH, in connection with the Smart Parts Q400 Agreement (as amended, the “SPQ Agreement”), the Q400 Onsite Inventory Agreement (the “OSI Agreement”), and Purchase Agreement No. PA-C006, dated as of February 24, 2010 between RAH and Bombardier (as amended, restated, supplemented, or otherwise modified prior to the date of CCO No. 3 (as defined below), the “Purchase Agreement”) and (ii) proof of claim No. 976 (the “RAI Claim,” and together with the Asserted 503(b)(9) Claims and the RAH Claim, the “Asserted Claims”) in the amount of \$2,237,662.80 against Republic Airline, Inc. (“Republic Airline”) in connection with the SPQ Agreement and OSI Agreement.

#### **Jurisdiction**

6. This Court has jurisdiction to consider this motion pursuant to 28 U.S.C. §§ 157 and 1334. This is a core proceeding pursuant to 28 U.S.C. § 157(b). Venue is proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409.

#### **Relief Requested**

7. By this Motion, the Debtors request entry of an order substantially in the form annexed hereto, pursuant to sections 363(b) and 365(a) of the Bankruptcy Code and Bankruptcy Rules 6004, 6006 and 9019, (i) authorizing the Debtors to enter into a Settlement Agreement dated as of October 20, 2016 (the “Settlement Agreement,” annexed hereto as Exhibit A) with Bombardier, Learjet, and C Series Aircraft Limited Partnership (collectively, the “Bombardier Parties”), (ii) authorizing RAH to enter into, and perform all obligations under that certain Contract Change Order No. 3 dated as of October 20, 2016 (the “CCO No. 3,” annexed hereto as Exhibit B) to the Purchase Agreement (as amended by CCO No. 3, the “Restructured Purchase Agreement”), (iii) authorizing RAH to assume the Restructured Purchase Agreement, and (iv) allowing to Bombardier (a) an administrative expense claim in the amount of \$700,000

against Republic Airline (the “Allowed Administrative Claims”) and (b) a general unsecured claim in the amount of \$1,523,662.80 against Republic Airline (the “Allowed Unsecured Claims,” and together with the Allowed Administrative Claims, the “Allowed Claims); provided that such Allowed Claims shall not be subject to challenge, reduction or offset for any reason.

8. For the reasons discussed herein, the Debtors submit that the relief sought is reasonable, represents an appropriate exercise of their sound business judgment, and is in the best interests of the Debtors’ estates and all stakeholders in these chapter 11 cases.

### **The Settlement Agreement**

9. Following months of settlement negotiations with respect to the Purchase Agreement and the Asserted Claims, RAH, Republic Airline and the Bombardier Parties entered into the comprehensive Settlement Agreement. The Settlement Agreement provides for (i) the assumption of the Restructured Purchase Agreement and (ii) the resolution of all claims asserted by the Bombardier Parties against the Debtors.

#### **B. The Restructured Purchase Agreement**

10. By the Purchase Agreement, RAH agreed to purchase, and Bombardier agreed to deliver, 40 CS300 aircraft (the “Aircraft”). The Purchase Agreement provides for payment of the purchase price for the Aircraft in a series of payments. As of the Commencement Date, RAH had paid [REDACTED] to Bombardier under the Purchase Agreement. The Purchase Agreement provided that RAH was required to make additional payments of approximately [REDACTED] commencing in [REDACTED].

11. CCO No. 3<sup>1</sup> amends the Purchase Agreement to [REDACTED]

[REDACTED]

[REDACTED]. Moreover, under CCO No. 3, [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]. The

terms of the Restructured Purchase Agreement provide [REDACTED]

[REDACTED]

[REDACTED].

**C. The Claims Settlement**

12. Pursuant to the OSI and SPQ Agreements (together, the “Q400 Agreements”), Bombardier and its affiliates managed the maintenance, repair and overhaul of certain parts for Republic’s fleet of Q400 aircraft (“Q400”) and provided Republic with certain spare parts inventory for its Q400 fleet. In furtherance of the Debtors’ goal to operate a single aircraft type (the E170/175 fleet), the Debtors rejected the leases with respect to its entire Q400 fleet and returned the Q400 aircraft.<sup>2</sup> The Q400 Agreements expired by their terms on April 30, 2016.

13. In the Asserted Claims, Bombardier asserted that \$2,237,662.80 was owed pursuant to the Q400 Agreements, including \$950,435.75 that was owed for post-petition

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1. This summary of the Restructured Purchase Agreement is not exhaustive. In the event of a conflict between this summary and the Restructured Purchase Agreement, the Restructured Purchase Agreement shall control.

2. See Order Pursuant To 11 U.S.C. §§ 365(a) & 105(a) and Fed. R. Bankr. P. 6006 & 9019(a) (I) Approving Settlement Agreement With Respect To 27 Bombardier Q-400 Aircraft and (II) Authorizing the Debtors to (A) Reject The Leases On Certain Aircraft and (B) Assume and Assign the Sublease and Certain Vendor Contracts Related to the Rejected Leases (ECF No. 375).



services rendered or goods sold within 20 days prior to the Commencement Date. Bombardier also asserted that \$70,000,000 was owed in connection with the Purchase Agreement.

14. However, after lengthy and difficult arms-length negotiations, the Debtors and Bombardier agreed to settle any and all outstanding claims for only a fraction of the amount asserted, a substantial step forward in Republic's and Bombardier's relationship and, if approved, would be a great benefit to Republic's estates. Republic believes that this is a highly favorable settlement for the Debtors estates and should be approved.

**The Bombardier Settlement Is Supported by the Debtors' Business Judgment, Is in the Best Interests of the Debtors' Estates, and Should Be Approved by the Court**

15. Bankruptcy Code section 365(a) provides, in pertinent part, that a debtor in possession, "subject to the court's approval, may assume or reject any executory contract or unexpired lease of the debtor." 11 U.S.C. § 365(a). *See also NLRB v. Bildisco & Bildisco*, 465 U.S. 513, 521 (1984); *Orion Pictures Corp. v. Showtime Networks, Inc. (In re Orion Pictures Corp.)*, 4 F.3d 1095, 1098 (2d Cir. 1993) (reaffirming that "[t]he purpose behind allowing the assumption or rejection of executory contracts is to permit the trustee or debtor-in-possession to use valuable property of the estate and to renounce title to and abandon burdensome property") (internal quotations and citation omitted).

16. The standard to be applied by a court in determining whether assumption of an executory contract pursuant to section 365(a) should be approved is the "business judgment" test, which requires that the debtor determine that the requested assumption would be beneficial to its estate. *See, e.g., Grp. of Institutional Investors v. Chicago, Milwaukee, St. Paul & Pac. R.R. Co.*, 318 U.S. 523, 550 (1943) ("[T]he question [of assumption] is one of business judgment."); *Orion Pictures Corp.*, 4 F.3d at 1099 (to decide a motion to assume, the court must put itself in the position of the trustee and determine whether such assumption would be a good

decision or a bad one); *In re Gucci*, 193 B.R. 411, 417 (S.D.N.Y. 1996) (decision to assume was exercise of good business judgment); *In re Nat'l Sugar Ref. Co.*, 26 B.R. 765, 767 (Bankr. S.D.N.Y. 1983) (debtor seeking to assume a profitable contract should be allowed to do so).

17. Upon finding that the debtor has exercised sound business judgment in determining that the assumption of an executory contract is in the best interests of the debtor, the court should approve such assumption under Bankruptcy Code section 365(a). *See, e.g., In re Riodizio, Inc.*, 204 B.R. 417, 424 (Bankr. S.D.N.Y. 1997); *In re Bradlees Stores, Inc.*, 194 B.R. 555, 558 n.1 (Bankr. S.D.N.Y. 1996); *In re G Survivor Corp.*, 171 B.R. 755, 757 (Bankr. S.D.N.Y. 1994). A debtor's decision to assume an executory contract based on its business judgment generally will not be disturbed "absent a showing of bad faith or abuse of business discretion." *In re Chipwich, Inc.*, 54 B.R. 427, 430-31 (Bank. S.D.N.Y. 1985).

18. Bankruptcy Code section 363 provides that a debtor, "after notice and a hearing, may use, sell, or lease, other than in the ordinary course of business, property of the estate." 11 U.S.C. § 363(b). Although Bankruptcy Code section 363 does not specify a standard for determining when it is appropriate for a court to authorize the use, sale, or lease of property of the estate, the Second Circuit has required that such use, sale, or lease be based upon the sound business judgment of the debtor. *See Official Comm. of Unsecured Creditors of LTV Aerospace & Def. Co. v. LTV Corp. (In re Chateaugay Corp.)*, 973 F.2d 141, 143 (2d Cir. 1992); *Comm. of Equity Sec. Holders v. Lionel Corp. (In re Lionel Corp.)*, 722 F.2d 1063, 1070 (2d Cir. 1983) (requiring "some articulated business justification" to approve the use, sale or lease of property outside the ordinary course of business). In that regard, "[w]here the debtor articulates a reasonable basis for its business decisions (as distinct from a decision made arbitrarily or capriciously), courts will generally not entertain objections to the debtor's conduct." *Comm. of*

*Asbestos-Related Litigants and/or Creditors v. Johns-Manville Corp. (In re Johns-Manville Corp.)*, 60 B.R. 612, 616 (Bankr. S.D.N.Y. 1986).

19. The business judgment rule shields a debtor’s management from judicial second-guessing. *Johns-Manville Corp.*, 60 B.R. at 615-16 (“[A] presumption of reasonableness attaches to a debtor’s management decisions.”). Once a debtor articulates a valid business justification, “[t]he business judgment rule ‘is a presumption that in making a business decision the directors of a corporation acted on an informed basis, in good faith and in the honest belief that the action was in the best interests of the company.’” *In re Integrated Res., Inc.*, 147 B.R. 650, 656 (S.D.N.Y. 1992) (quoting *Smith v. Van Gorkom*, 488 A.2d 858, 872 (Del. 1985)). Thus, if a debtor’s actions satisfy the business judgment rule, then the transaction in question should be approved under section 363(b)(1). Indeed, when applying the “business judgment” standard, courts show great deference to a debtor’s business decisions. *See Pitt v. First Wellington Canyon Assocs. (In re First Wellington Canyon Assocs.)*, No. 89-C-593, 1989 WL 106838, at \*3 (N.D. Ill. Sept. 8, 1989) (“Under this test, the debtor’s business judgment . . . must be accorded deference unless shown that the bankrupt’s decision was taken in bad faith or in gross abuse of the bankrupt’s retained discretion.”), *denying reconsideration*, 1989 WL 165028 (N.D. Ill. Dec. 28, 1989).

20. The Debtors’ assumption of the Restructured Purchase Agreement is in the best interest of the Debtors’ estates and constitutes a proper exercise of the Debtors’ sound business judgment. The Restructured Purchase Agreement will provide the Debtors with clarity in its relationship with Bombardier going forward [REDACTED]

[REDACTED]. The

alternative options available to Republic, *e.g.*, rejection of the Purchase Agreement, could result in significant claims.

21. Based on the foregoing, entry into CCO No. 3 and assumption of the Restructured Purchase Agreement is in the best interests of the Debtors' estates and creditors and constitutes a proper exercise of the Debtors' sound business judgment, and, accordingly, should be approved.

**Settlement of the Asserted Claims Is Fair And Equitable,  
Reasonable, and In The Best Interests of the Estates**

22. To approve a compromise or settlement under Bankruptcy Rule 9019(a), the Court should find that the compromise or settlement is fair and equitable, reasonable, and in the best interests of the debtor's estate. *See, e.g., In re Ionosphere Clubs, Inc.*, 156 B.R. 414, 426 (S.D.N.Y. 1993), *aff'd*, 17 F.3d 600 (2d Cir. 1994). In determining whether to approve the settlement, the Court must make an independent determination that the settlement is fair and reasonable. *Nellis v. Shugrue*, 165 B.R. 115, 122-23 (S.D.N.Y. 1994). The Court may consider the opinions of the trustee or debtor in possession that the settlement is fair and reasonable. *Id.*; *In re Purofied Down Prods. Corp.*, 150 B.R. 519, 522 (S.D.N.Y. 1993). In addition, the Court may exercise its discretion "in light of the general public policy favoring settlements." *In re Hibbard Brown & Co.*, 217 B.R. 41, 46 (Bankr. S.D.N.Y. 1998); *see also Nellis v. Shugrue*, 165 B.R. at 123 ("[T]he general rule [is] that settlements are favored and, in fact, encouraged by the approval process.").

23. In determining whether to approve a proposed settlement, the Court need not decide the numerous issues of law and fact raised by the settlement, but rather should "canvass the issues and see whether the settlement falls below the lowest point in the range of reasonableness." *In re W.T. Grant Co.*, 699 F.2d 599, 608 (2d Cir. 1983) (internal quotations

omitted); *see also In re Purofied Down Prods.*, 150 B.R. at 522 (“[T]he court need not conduct a ‘mini-trial’ to determine the merits of the underlying litigation.”). “In complex settlements, it is appropriate for the court to not only consider each settled claim individually, but also to consider the reasonableness of the agreement as a whole.” *In re NII Holdings, Inc.*, 536 B.R. 61, 99 (Bankr. S.D.N.Y. 2015) (citation omitted); *accord Air Line Pilots Ass’n, Int’l v. Am. Nat’l Bank & Trust Co. (In re Ionosphere Clubs, Inc.)*, 156 B.R. 414, 430 (S.D.N.Y. 1993) (“[S]ince the Settlement Agreement is a global settlement of all the claims . . . [t]he appropriate inquiry is whether the Settlement Agreement in its entirety is appropriate for the . . . estate.”).

24. “The ‘reasonableness’ of [a] settlement depends upon all factors, including probability of success, the length and cost of the litigation, and the extent to which the settlement is truly the product of ‘arms-length’ bargaining, and not fraud or collusion.” *In re Ionosphere Clubs, Inc.*, 156 B.R. at 428.

25. The Debtors believe, in their reasonable business judgment, that the proposed settlement with Bombardier is in the best interests of their estates and creditors, and constitutes an efficient and cost-effective method for resolving the Asserted Claims. The Debtors submit that it would have been difficult to achieve resolution of Bombardier’s claims, on better terms than those provided in the Settlement Agreement. The settlement of the Asserted Claims set forth in the Settlement Agreement will avoid the significant time and resources the Debtors otherwise would have to expend on resolving the Asserted Claims and will avoid litigation risk.

26. For these reasons, the Debtors submit that the proposed settlement is in the best interest of their estates and stakeholders, is well within the range of reasonableness, and thus should be approved.

**Notice**

27. Notice of this motion is being provided in accordance with the Court's Case Management Order, dated March 2, 2016 (ECF No. 70), and upon filing with the Court, the motion will be available for inspection on Republic's Case Website (located at <https://cases.primeclerk.com/RJET/>). Republic submits that no other or further notice need be given.

WHEREFORE, the Debtors request entry of the order annexed hereto, granting the relief requested herein and such other and further relief as is just.

Dated: New York, New York  
October 20, 2016

/s/ Gary D. Ticoll  
Bruce R. Zirinsky  
Sharon J. Richardson  
Gary D. Ticoll  
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(212) 763-0192  
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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. §§ 363(b) AND 365(a) AND FED. R.  
BANKR. P. 6004, 6006 AND 9019 AUTHORIZING DEBTORS TO (I) ENTER INTO  
SETTLEMENT AGREEMENT WITH BOMBARDIER INC., LEARJET, INC. AND  
C SERIES AIRCRAFT LIMITED PARTNERSHIP AND (II) ASSUME PURCHASE  
AGREEMENT, AS AMENDED, WITH BOMBARDIER INC.**

A hearing having been held on November 17, 2016 (the “Hearing”), to consider the motion, dated October 20, 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 363(b) of the Bankruptcy Code and rules 6004, 6006 and 9019 of the Federal Rules of Bankruptcy Procedure, for authorization to (i) enter into a Settlement Agreement with Bombardier Inc., Learjet, Inc. and C Series Aircraft Limited Partnership, (ii) enter into and perform all obligations under CCO No. 3, (iii) assume the Restructured Purchase Agreement, and (iv) allow to Bombardier the Allowed Claims, each 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

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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.

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) ("CMO"), and it appearing that no other or further notice need be given; and the Court having considered the Motion, the papers in support thereof, the Bedford Declaration, 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 after due deliberation and sufficient cause appearing therefor, and for reasons stated in the record of the Hearing;

**IT IS HEREBY FOUND AND CONCLUDED** that:

A. The statutory predicates for the relief requested in the Motion is sections 363 and 365 of the Bankruptcy Code and Bankruptcy Rules 6004, 6006 and 9019.

B. Proper, timely, adequate and sufficient notice of the Motion has been provided in accordance with the Bankruptcy Code, the Bankruptcy Rules, the Local Bankruptcy Rules and the CMO, and no other or further notice of the Motion or the entry of this Order shall be required.

C. Based on the record before the Court, the Debtors have demonstrated good and sufficient reasons for the Court to approve the Motion.

D. Neither Bombardier, its affiliates, nor their respective representatives is an "insider" of any of the Debtors as that term is used in section 101(31) of the Bankruptcy Code.

E. The entry into the Settlement Agreement, CCO No. 3 and the transactions contemplated therein, and entry of this Order is in the best interests of the Debtors' estates and creditors.



F. The Settlement Agreement and CCO No. 3 were negotiated, proposed and entered into by the parties in good faith, from arms' length bargaining positions and without collusion or fraud.

G. Sound business reasons have been articulated for entering into the Settlement Agreement and CCO No. 3 and the transactions contemplated therein and it is a sound exercise of business judgment to enter into and perform under the Settlement Agreement and CCO No. 3, and consummate the transactions contemplated thereby.

H. Bombardier is consenting to the assumption of the Restructured Purchase Agreement and thus, no adequate assurance of future performance by Republic is required under section 365(b) of the Bankruptcy Code.

I. Each of the foregoing findings by the Court will be deemed a finding of fact if and to the full extent that it makes and contains factual findings and a conclusion of law if and to the full extent that it makes legal conclusions.

**IT IS HEREBY ORDERED** that:

1. The Motion is hereby granted as provided herein, and the Settlement Agreement is approved in its entirety. To the extent any objections or reservations of rights to the Motion have not been withdrawn or resolved by this Order, they are overruled in all respects on the merits.

2. Pursuant to section 363(b) of the Bankruptcy Code, (i) CCO No. 3 and the Settlement Agreement are hereby approved, (ii) RAH is authorized to enter into the CCO No. 3 and to perform all obligations thereunder, and (iii) RAH and Republic Airline are authorized to enter into the Settlement Agreement and to perform all obligations thereunder.

3. Pursuant to section 365(a) of the Bankruptcy Code, the Restructured Purchase Agreement is hereby assumed effective upon entry of this Order.

4. Bombardier is hereby granted (i) an allowed general unsecured claim in the amount of \$1,523,662.80 against Republic Airline and (ii) an allowed administrative claim in the amount of \$700,000 against Republic Airline, which claims (a) shall be in full settlement, satisfaction, release and discharge of all pre- and post-petition claims of the Bombardier Parties in the chapter 11 cases and (b) shall not be subject to challenge, reduction or offset for any reason. The allowed administrative claim shall be paid within 14 days of the entry of this Order.

5. The settlement provided in the Settlement Agreement on the terms described herein is fair and reasonable.

6. The proofs of claim filed by Bombardier, Inc. and Learjet, Inc. in the chapter 11 cases (including without limitation Claim Nos. 323, 338, 975 and 976) shall be deemed automatically amended to reflect the terms of this Order (and any claims in excess of such amounts shall be deemed to have been withdrawn), all without the need for any further action by any party and the Debtors' claims agent shall update the claims register in accordance with this Order.

7. Any person or entity that did not timely object to the Motion is deemed to consent to the relief granted herein.

8. Notwithstanding the provisions of Bankruptcy Rule 6004, this Order shall not be stayed for 14 days after the entry hereof, but shall be effective and enforceable immediately upon entry by this Court.

9. The Motion satisfies rules 2002, 6006 and 9019 of the Federal Rules of Bankruptcy Procedure.

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

Dated: New York, New York

\_\_\_\_\_, 2016

---

Honorable Sean H. Lane  
United States Bankruptcy Judge

**EXHIBIT A**  
**Settlement Agreement**

## SETTLEMENT AGREEMENT

Settlement Agreement, dated as of October 20, 2016 (this “Agreement”), among Republic Airways Holdings Inc., a Delaware corporation (“RAH”), Republic Airline Inc., an Indiana corporation (“RAI” and, together with RAH, the “Republic Parties”), Bombardier Inc., a Canadian corporation (“Bombardier”), Learjet, Inc., a Kansas corporation (“Learjet” and, together with Bombardier, the “Claimants”) and C Series Aircraft Limited Partnership as assignee of Bombardier (“CSALP” and, together with the Claimants, the “Bombardier Parties” and, collectively with the Republic Parties, the “Parties,” and each a “Party”).

**WHEREAS**, Bombardier and RAI are parties to a Smart Parts Q400 Agreement, as amended (“SPQ400”) effective as of August 1, 2012, pursuant to which Bombardier agreed to provide, and Republic agreed to pay for, *inter alia*, inventory, maintenance and repair support for the Q400 aircraft in Republic’s fleet;

**WHEREAS**, Learjet and RAI are parties to an Onsite Inventory Agreement, as amended (the “OSI” and, together with the SPQ400, the “Q400 Agreements”), dated as of November 2, 2013, pursuant to which Bombardier agreed to provide, and Republic agreed to pay for, *inter alia*, spare parts for Republic’s various bases of operation;

**WHEREAS**, each of the Q400 Agreements terminated by their terms on April 30, 2016;

**WHEREAS**, Bombardier and RAH are parties to a Purchase Agreement No. PA-C006, dated as of February 24, 2010, as amended (the “Purchase Agreement”), pursuant to which RAH agreed to purchase 40 CS300 aircraft from Bombardier;

**WHEREAS**, on February 25, 2016, each of RAH and certain of its direct and indirect subsidiaries, as debtors and debtors in possession (collectively, the “Debtors”) commenced voluntary cases under chapter 11 of title 11 of the United States Code (the “Bankruptcy Code”) jointly administered under Case No. 16-10429 (SHL) (the “Bankruptcy Cases”) in the United States Bankruptcy Court for the Southern District of New York (the “Bankruptcy Court”);

**WHEREAS**, the Claimants have filed the proofs of claim and the Debtors have scheduled claims for the Claimants (collectively, the “Claims”), including the claims in the asserted amount and priority as set forth on **Exhibit “A”**;

**WHEREAS**, the Debtors and Bombardier Parties, pursuant to this Agreement, wish to (a) settle the Claims of Claimants against Debtors, and (b) provide for the amendment of the Purchase Agreement as further described herein and the assumption by the Debtors of the Purchase Agreement, as amended.

NOW, THEREFORE, the parties hereto agree as follows:

**1. Approval.** The Debtors will file a motion (the “Approval Motion”) with the Bankruptcy Court seeking an order in form and substance reasonably acceptable to the Bombardier Parties (the “Approval Order”) authorizing the Debtors to (i) enter into the settlement contemplated herein and (ii) enter into the CCO No. 3 (as defined below) and assume the Purchase Agreement as amended by the CCO No. 3.

2. **Effective Date.** This Agreement shall be effective on the date the Approval Order has been entered and is not stayed (the “Effective Date”), *provided, however* that if the Approval Order is reversed or modified after the Effective Date, then this Agreement, including CCO No. 3 and the assumption of the Purchase Agreement, shall be null and void *ab initio*.

3. **Amendment of Purchase Agreement; Assumption of Purchase Agreement as Amended.** On the date hereof, RAH, Bombardier and CSALP shall execute and deliver Contract Change Order No. 3, dated as of October 20, 2016 (“CCO No. 3”), in the form attached hereto as **Exhibit “B”**, which amends the Purchase Agreement. CCO No. 3 shall be effective on the Effective Date. Each of Bombardier and CSALP consents to the assumption of the Purchase Agreement as amended by CCO No.3, effective as of the Effective Date. RAH agrees that it shall not seek to, and waives any right to, assign the Purchase Agreement, and Bombardier and CSALP reserve all rights to oppose any attempted assignment of the Purchase Agreement.

4. **Claims.** In full and final satisfaction of the Claims, effective on the Effective Date, Bombardier shall have against RAI (i) an allowed administrative expense claim entitled to priority pursuant to Section 507(a) of the Bankruptcy Code in the amount of \$700,000, which shall be paid within 14 days of the Effective Date, and (ii) an allowed unsecured prepetition claim of \$1,523,662.80, which shall be paid as and when similarly-classified claims are to be paid by RAI pursuant to a plan of reorganization or otherwise (together, the “Allowed Claims”). The Allowed Claims shall not be subject to challenge, reduction or offset for any reason.

5. **Release of Claims.** With the exception of the right to receive distributions on the Allowed Claims, effective on the Effective Date, the Bombardier Parties, on behalf of themselves and their respective affiliates, fully, finally and forever waive, release, renounce and discharge the Debtors from any and all claims (whether prepetition unsecured, priority, administrative or postpetition), causes of action, suits, debts, obligations, liabilities, accounts, damages, defenses, or demands whatsoever, known or unknown, asserted or unasserted, giving rise to or otherwise related to the Claims, the Q400 Agreements or the Purchase Agreement. CCO No.3 provides for the mutual release of claims under the Purchase Agreement arising prior to the Effective Date, and that release is incorporated herein by reference.

6. **Miscellaneous.**

(a) **Governing Law.** This Agreement shall be governed by and construed in accordance with the laws of the State of New York.

(b) **Disputes.** All disputes arising under or in connection with this Agreement shall, prior to the issuance of a final decree from the Bankruptcy Court closing the Bankruptcy Cases, be resolved by the Bankruptcy Court, which shall have exclusive jurisdiction over such disputes.

(c) **Assignment.** The rights and obligations of each of the parties hereto under this Agreement may not be assigned, transferred or novated without the prior written consent of the other parties, which consent may not be unreasonably withheld.

(d) **Counterparts.** This Agreement may be executed in one or more counterparts (including by facsimile or electronic (e.g., pdf) transmission), each of which

together or separately shall constitute an original and, which taken together, shall be considered one and the same binding agreement.

(e) **Confidentiality**. The Parties agree that the terms of this Agreement, including without limitation CCO No. 3, are confidential and shall not be disclosed, except (i) to the professionals retained by the Creditors' Committee on a "Professionals' Eyes Only" basis, (ii) where compelled or required by court order or any governmental agency or any applicable law or regulation, (iii) to a Party's auditors, tax representatives, or legal counsel, (iv) where disclosure is necessary and unavoidable to carry out the Party's business or to enforce this Agreement, or (v) as an exhibit to the Approval Motion filed in the Bankruptcy Cases, *provided* that any portions of this Agreement or CCO No. 3 designated confidential by Bombardier to RAH prior to filing the Approval Motion with the Bankruptcy Court shall be filed in a redacted form with such redactions as are reasonably acceptable to the Parties. The Parties shall take reasonable steps to prevent disclosure of the terms of this Agreement by others, including by instructing any persons to whom disclosure is made that they may not disclose the terms of this Agreement to any other person other than as provided herein. Nothing herein shall in any way limit any other confidentiality obligations the Parties have to one another, including any such obligations under the Purchase Agreement.

(f) **Binding Agreement**. This Agreement shall inure to the benefit of the parties hereto together with their respective successors and permitted assigns.

[This space intentionally left blank; signature page follows]

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement as of  
the date first set forth above.

REPUBLIC AIRWAYS HOLDINGS INC.

By: \_\_\_\_\_  
Name: **Lars-Erik Arnell**  
Title: **SVP Corporate Development**

REPUBLIC AIRLINE INC.

By: \_\_\_\_\_  
Name: **Lars-Erik Arnell**  
Title: **SVP Corporate Development**

BOMBARDIER INC.

By: \_\_\_\_\_  
Name:  
Title:

By: \_\_\_\_\_  
Name:  
Title:

LEARJET, INC.

By: \_\_\_\_\_  
Name:  
Title:

C SERIES AIRCRAFT LIMITED PARTNERSHIP,  
by its managing general partner,  
C Series Aircraft Managing GP Inc.

By: \_\_\_\_\_  
Name:  
Title:



IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement as of  
the date first set forth above.

REPUBLIC AIRWAYS HOLDINGS INC.


By: \_\_\_\_\_  
Name:  
Title:

REPUBLIC AIRLINE INC.

By: \_\_\_\_\_  
Name:  
Title:

BOMBARDIER INC

By:  \_\_\_\_\_  
Name: **Craig Allan**  
Title: **Director, Contracts**

By:  \_\_\_\_\_  
Name: **Lucy Bahoudian**  
Title: **Sr. Negotiator, Contracts**

LEARJET, INC.

By: \_\_\_\_\_  
Name:  
Title:

C SERIES AIRCRAFT LIMITED PARTNERSHIP,  
by its managing general partner,  
C Series Aircraft Managing GP Inc.

By: \_\_\_\_\_  
Name:  
Title:

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement as of  
the date first set forth above.

REPUBLIC AIRWAYS HOLDINGS INC.

By: \_\_\_\_\_  
Name:  
Title:

REPUBLIC AIRLINE INC.


By: \_\_\_\_\_  
Name:  
Title:

BOMBARDIER INC.

By: \_\_\_\_\_  
Name:  
Title:

By: \_\_\_\_\_  
Name:  
Title:

LEARJET, INC.

By:  \_\_\_\_\_  
Name: Brenda Mesker  
Title: Senior Director, Legal Services & Chief US Counsel

C SERIES AIRCRAFT LIMITED PARTNERSHIP,  
by its managing general partner,  
C Series Aircraft Managing GP Inc.

By: \_\_\_\_\_  
Name:  
Title:

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement as of  
the date first set forth above.

REPUBLIC AIRWAYS HOLDINGS INC.

By: \_\_\_\_\_  
Name:  
Title:

REPUBLIC AIRLINE INC.

By: \_\_\_\_\_  
Name:  
Title:

BOMBARDIER INC.


By: \_\_\_\_\_  
Name:  
Title:

By: \_\_\_\_\_  
Name:  
Title:

LEARJET, INC.

By: \_\_\_\_\_  
Name:  
Title:

C SERIES AIRCRAFT LIMITED PARTNERSHIP,  
by its managing general partner,  
C Series Aircraft Managing GP Inc.

By:  \_\_\_\_\_  
Name: FRANCIS LECOYTE  
Title: CORPORATE SECRETARY

**EXHIBIT "A"**

<b>CREDITOR</b>	<b>CLAIM NO./ SCHEDULE ID</b>	<b>CLAIMED AMOUNT &amp; CLASSIFICATION</b>	<b>CLAIMED DEBTOR</b>
BOMBARDIER INC. AND LEARJET, INC.	975	<b>Secured:</b> \$71,287,227.05 <b>Admin Priority:</b> \$950,435.75 <b>Total:</b> \$72,237,662.80	REPUBLIC AIRWAYS HOLDINGS INC.
BOMBARDIER INC, AND LEARJET, INC.	976	<b>Unsecured:</b> \$1,287,227.05 <b>Admin Priority:</b> \$950,435.75 <b>Total:</b> \$2,237,662.80	REPUBLIC AIRLINE INC.
LEARJET, INC.	338	<b>503(b)(9):</b> \$156,862.97	REPUBLIC AIRWAYS HOLDINGS INC.
LEARJET, INC.	323 / 325962	<b>503(b)(9):</b> \$156,862.97	REPUBLIC AIRWAYS HOLDINGS INC.
BOMBARDIER AEROSPACE	325264	<b>Unsecured:</b> \$68,036.32 Unliquidated	REPUBLIC AIRLINE INC.
BOMBARDIER AEROSPACE	325265	<b>Unsecured:</b> \$266,708.30 Unliquidated	REPUBLIC AIRLINE INC.
BOMBARDIER INC	325266	Undetermined	REPUBLIC AIRLINE INC.
BOMBARDIER SERVICES CORPORATION	325267	<b>Unsecured:</b> \$2,070.30 Unliquidated	REPUBLIC AIRLINE INC.

**EXHIBIT B**  
**Contract Change Order No. 3**

**CONTRACT CHANGE ORDER**

**PURCHASER:** REPUBLIC AIRWAYS HOLDINGS INC. (“Buyer”)  
**PURCHASE AGREEMENT NO.:** PA-C006  
**AIRCRAFT TYPE:** CS300  
**C.C.O. NO.:** 003  
**DATED:** October 20, 2016  
**PAGE** 1 of 21

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**REASON FOR CHANGE:** Amend the following parts of the Agreement: Appendix II – Delivery Schedule; Article 5 [REDACTED]; Letter Agreement [REDACTED]; Option Aircraft delivery schedule; Letter Agreement [REDACTED]; Letter Agreement [REDACTED] and assign the Agreement from Bombardier Inc. to C Series Aircraft Limited Partnership (hereinafter referred to as “Seller”), by its managing general partner, C Series Aircraft Managing GP Inc.

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**DESCRIPTION OF CHANGE:**

This Contract Change Order (“CCO”) No. 003 will amend Purchase Agreement No. PA-C006 dated February 24, 2010 (as amended, and together with all Letter Agreements relating thereto, the “Agreement”) to amend (i) Appendix II – Delivery Schedule to reset the Scheduled Delivery Quarters for the Firm Aircraft; (ii) amend Article 5 – [REDACTED]; (iii) [REDACTED] and [REDACTED]; (iv) amend Article 5.0, Option Aircraft Acceptance and Delivery, of Letter Agreement No. [REDACTED], Option Aircraft, to reset the Option Aircraft Scheduled Delivery Months; (v) amend Article 1.0 of Letter Agreement [REDACTED]; (vi) amend Article 1.0 of Letter Agreement [REDACTED], to revise the dates by which the [REDACTED] will be available; (vii) [REDACTED]; (viii) assign the Agreement from Bombardier to C Series Aircraft Limited Partnership, by its managing general partner, C Series Aircraft Managing GP Inc., and (ix) [REDACTED]. This CCO is entered into pursuant to the Settlement Agreement, dated as of October 20, 2016 (the “Settlement Agreement”) among Buyer, Republic Airline Inc., Bombardier and Learjet, Inc. Pursuant to the Settlement Agreement, Buyer will file a motion with the United States Bankruptcy Court for the Southern District of New York in the jointly administered chapter 11 cases for Buyer and certain of its affiliates bearing case number 16-10429 seeking such Court’s approval of the Settlement Agreement and this CCO. This CCO will be effective on the “Effective Date” (as defined in the Settlement

Agreement). Terms defined in the Agreement and used herein have such defined meanings unless otherwise defined herein.

**1.0 Appendix II – Delivery Schedule**

1.1 The Scheduled Delivery Quarters for the Firm Aircraft as set out in Appendix II to the Agreement are amended to reflect the revised delivery schedule, as follows:

“

CS300 Aircraft	Scheduled Delivery	CS300 Aircraft	Scheduled Delivery
First Firm Aircraft		Twenty-First Firm Aircraft	
Second Firm Aircraft		Twenty-Second Firm Aircraft	
Third Firm Aircraft		Twenty-Third Firm Aircraft	
Fourth Firm Aircraft		Twenty-Fourth Firm Aircraft	
Fifth Firm Aircraft		Twenty-Fifth Firm Aircraft	
Sixth Firm Aircraft		Twenty-Sixth Firm Aircraft	
Seventh Firm Aircraft		Twenty-Seventh Firm Aircraft	
Eighth Firm Aircraft		Twenty-Eighth Firm Aircraft	
Ninth Firm Aircraft		Twenty-Ninth Firm Aircraft	
Tenth Firm Aircraft		Thirtieth Firm Aircraft	
Eleventh Firm Aircraft		Thirty-First Firm Aircraft	
Twelfth Firm Aircraft		Thirty-Second Firm Aircraft	
Thirteenth Firm Aircraft		Thirty-Third Firm Aircraft	
Fourteenth Firm Aircraft		Thirty-Fourth Firm Aircraft	
Fifteenth Firm Aircraft		Thirty-Fifth Firm Aircraft	
Sixteenth Firm Aircraft		Thirty-Sixth Firm Aircraft	
Seventeenth Firm Aircraft		Thirty-Seventh Firm Aircraft	
Eighteenth Firm Aircraft		Thirty-Eighth Firm Aircraft	
Nineteenth Firm Aircraft		Thirty-Ninth Firm Aircraft	
Twentieth Firm Aircraft		Fortieth Firm Aircraft	

”

**2.0 Article 5.1** [REDACTED]

2.1 [REDACTED]

2.2 Articles 5.1.2(a), (b), (c), (d) and (e) of the Agreement are amended as follows:

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

2.3 Article 5.2 is amended to provide [REDACTED]  
[REDACTED] The following language is added after the second sentence of Article 5.2:

[REDACTED]



[REDACTED]

3.0 Letter Agreement No. [REDACTED]

3.1 [REDACTED]

4.0 [REDACTED]

4.1 [REDACTED]

[REDACTED]

4.2 [REDACTED] as follows:

[REDACTED]

4.3

[REDACTED] as follows:

[REDACTED]

**5.0 Letter Agreement** [REDACTED]

5.1 The Scheduled Delivery Months for the Option Aircraft as set out in Article 5.0 of [REDACTED], Option Aircraft Acceptance and Delivery, are amended to align with the Firm Aircraft delivery schedule, as follows:

“

Option Aircraft	Option Aircraft Scheduled Delivery
First Option Aircraft	[REDACTED]
Second Option Aircraft	[REDACTED]
Third Option Aircraft	[REDACTED]
Fourth Option Aircraft	[REDACTED]
Fifth Option Aircraft	[REDACTED]
Sixth Option Aircraft	[REDACTED]
Seventh Option Aircraft	[REDACTED]
Eighth Option Aircraft	[REDACTED]
Ninth Option Aircraft	[REDACTED]
Tenth Option Aircraft	[REDACTED]
Eleventh Option Aircraft	[REDACTED]
Twelfth Option Aircraft	[REDACTED]
Thirteenth Option Aircraft	[REDACTED]
Fourteenth Option Aircraft	[REDACTED]
Fifteenth Option Aircraft	[REDACTED]
Sixteenth Option Aircraft	[REDACTED]
Seventeenth Option Aircraft	[REDACTED]
Eighteenth Option Aircraft	[REDACTED]
Nineteenth Option Aircraft	[REDACTED]
Twentieth Option Aircraft	[REDACTED]
Twenty-First Option Aircraft	[REDACTED]
Twenty-Second Option Aircraft	[REDACTED]
Twenty-Third Option Aircraft	[REDACTED]
Twenty-Fourth Option Aircraft	[REDACTED]
Twenty-Fifth Option Aircraft	[REDACTED]
Twenty-Sixth Option Aircraft	[REDACTED]
Twenty-Seventh Option Aircraft	[REDACTED]
Twenty-Eighth Option Aircraft	[REDACTED]
Twenty-Ninth Option Aircraft	[REDACTED]
Thirtieth Option Aircraft	[REDACTED]
Thirty-First Option Aircraft	[REDACTED]
Thirty-Second Option Aircraft	[REDACTED]
Thirty-Third Option Aircraft	[REDACTED]

Thirty-Fourth Option Aircraft			
Thirty-Fifth Option Aircraft			
Thirty-Sixth Option Aircraft			
Thirty-Seventh Option Aircraft			
Thirty-Eighth Option Aircraft			
Thirty-Ninth Option Aircraft			
Fortieth Option Aircraft			

**6.0 Letter Agreement** [REDACTED]

6.1 Article 1.0 of Letter Agreement [REDACTED]  
[REDACTED] Article 1.0 is amended as follows:

[REDACTED]

[REDACTED]

**7.0 Letter Agreement** [REDACTED]

7.1 Article 1.0 of Letter Agreement [REDACTED]  
Article 1.0 as follows:

[REDACTED]

**8.0 Letter Agreement No.** [REDACTED]

8.1 [REDACTED]

**9.0 Notice of Assignment of the Agreement from Bombardier to Seller**

On June 30th, 2016 (the "**Effective Date**") Bombardier assigned the Agreement and all related documents (as amended, restated, supplemented, replaced or otherwise modified from time to time) to Seller, and Seller has assumed from Bombardier all of Bombardier's rights, interest, remedies, obligations and liabilities in, to and under the Agreement (the "**Assignment**").

Seller shall be deemed the seller for all purposes of the Agreement and all references to "Bombardier" or "Bombardier Inc." in the Agreement shall be deemed to refer to Seller.

Seller expressly accepts all of the rights, title, interests and benefits Bombardier has assigned to it and assumes and agrees to perform, discharge and fulfill all of Bombardier's responsibilities, liabilities and obligations under the Agreement as may be modified from time to time and in any event subject to and in accordance with the terms and conditions set forth therein. [REDACTED]

[REDACTED] Any Notice given under the Agreement to Bombardier shall be deemed given simultaneously to Seller.

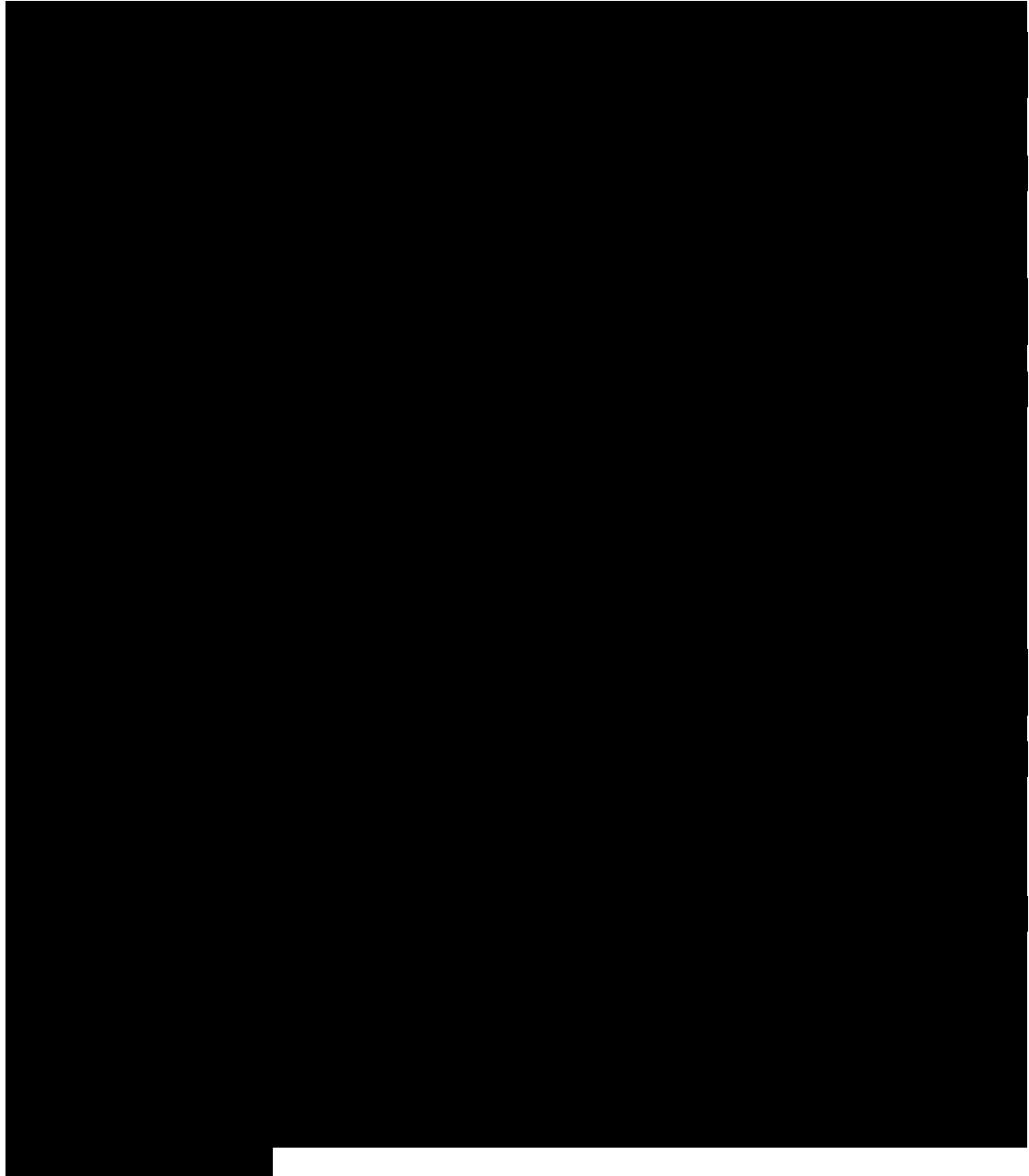
For the benefit of Buyer from and after the date of this CCO:

- a) Seller shall have all the rights, interest, remedies, obligations and liabilities of Bombardier in, to and under the Agreement;
- b) [REDACTED]
- c) any consents or waivers given by Bombardier in respect of Buyer's obligations under the Agreement shall be binding upon Seller to the same extent as if given by Seller; and
- d) any amounts paid by or on behalf of Buyer in accordance with the Agreement shall be treated as having been paid to Seller for all purposes of the Agreement.

Buyer hereby consents to the Assignment for all purposes of the Agreement.

**10.0 Other Matters**

10.1



**11.0 Chapter 11 Cases; Mutual Releases**

11.1 Bombardier hereby agrees and consents that the assumption of the Agreement, as modified by the COO, as set forth herein, satisfies all requirements under section 365 of the Bankruptcy Code that the Buyer cure any defaults and provide adequate assurance of future performance in connection with the assumption of the Agreement (as modified).

11.2 Each party agrees that upon this CCO becoming effective, any and all claims or potential claims of such party under the Agreement against the other party arising prior to such effectiveness shall be released and/or waived.

**12.0 Public Announcement**

The parties shall coordinate the date and content of any public announcement related to this CCO in advance with the other party.

**13.0 Governing Law**

This CCO shall be governed by and construed in accordance with the domestic laws of the State of New York, U.S.A.

**ALL OTHER TERMS AND CONDITIONS OF THE AGREEMENT SHALL REMAIN UNCHANGED**

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*(remainder of page intentionally left blank)*

CONFIDENTIAL



For and on behalf of:

**REPUBLIC AIRWAYS HOLDINGS INC.**

  
\_\_\_\_\_

Name: **Lars-Erik Arnell**  
Title: **SVP Corporate Development**

**BOMBARDIER INC.**  
As represented by  
Bombardier Commercial Aircraft

\_\_\_\_\_  
Name:

Title:

\_\_\_\_\_  
Name:

Title:

**C SERIES AIRCRAFT LIMITED PARTNERSHIP,**  
by its general managing partner,  
C Series Aircraft Managing GP Inc., as Assignee

\_\_\_\_\_  
Name:

Title: **Authorized Signatory**

CONFIDENTIAL

**BOMBARDIER**  
the evolution of mobility

For and on behalf of:

**REPUBLIC AIRWAYS HOLDINGS INC.**

---

Name:

Title:

**BOMBARDIER INC.**

As represented by  
Bombardier Commercial Aircraft



---

Name: **Craig Allan**

Title: **Director, Contracts**



---

Name:

**Lucy Bahoudian**  
**Sr. Negotiator, Contracts**

Title:

**C SERIES AIRCRAFT LIMITED PARTNERSHIP,**  
by its general managing partner,  
C Series Aircraft Managing GP Inc., as Assignee

---

Name:

Title: **Authorized Signatory**



CONFIDENTIAL



For and on behalf of:

**REPUBLIC AIRWAYS HOLDINGS INC.**

\_\_\_\_\_  
Name:

Title:

**BOMBARDIER INC.**

As represented by  
Bombardier Commercial Aircraft

\_\_\_\_\_  
Name:

Title:

\_\_\_\_\_  
Name:

Title:

**C SERIES AIRCRAFT LIMITED PARTNERSHIP,**  
by its general managing partner,  
C Series Aircraft Managing GP Inc., as Assignee

Name: FRANCIS LECONTE

Title: Authorized Signatory  
CORPORATE SECRETARY