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*Proposed 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-_____ (___)**
Debtors.¹ : **(Joint Administration Pending)**

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**DEBTORS' MOTION PURSUANT TO 11 U.S.C. §§ 363(b), 105(a)
& 503(b)(9) FOR ENTRY OF INTERIM AND FINAL ORDERS (i) AUTHORIZING,
BUT NOT DIRECTING, DEBTORS TO PAY PREPETITION OBLIGATIONS OWED
TO FOREIGN CREDITORS AND (ii) AUTHORIZING AND DIRECTING FINANCIAL
INSTITUTIONS TO HONOR AND PROCESS RELATED CHECKS AND TRANSFERS**

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 UNITED STATES BANKRUPTCY JUDGE:

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”), respectfully represent:

Background

1. On the date hereof (the “Commencement Date”) each of the Debtors filed with this Court a voluntary petition for relief under chapter 11 of title 11, United States Code (the “Bankruptcy Code”). The Debtors are authorized to continue to operate their business and manage their properties as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. No trustee, examiner, or statutory committee of unsecured creditors has been appointed in these cases.

2. Contemporaneously herewith, the Debtors have filed a motion requesting joint administration of their chapter 11 cases for procedural purposes only pursuant to Fed. R. Bankr. P. 1015(b).

Republic’s Business

3. RAH is a holding company whose common stock is traded on the NASDAQ under the symbol “RJET.” RAH provides scheduled regional passenger services through its wholly-owned operating air carrier subsidiaries, Shuttle America Corporation (“Shuttle America”) and Republic Airline Inc. (“Republic Airline”). Republic offers approximately 1,000 flights daily to 105 cities in 38 states, Canada, the Caribbean, and the Bahamas through Republic’s fixed-fee code-share agreements with United Continental Holdings, Inc. (“United”), Delta Air Lines, Inc. (“Delta”), and American Airlines Group, Inc. (“American,” and collectively with United and Delta, the “Codeshare Partners”), operating under the

designations of United Express, Delta Connection, and American Eagle, including service out of the Codeshare Partners' respective hubs and focus cities. Republic's operational fleet consists of approximately 230 aircraft.

4. As of January 31, 2016, on a consolidated basis, Republic had assets and liabilities of \$3,561,000,000 and \$2,971,000,000 (unaudited). For the year ended December 31, 2015, on a consolidated basis, Republic had operating revenue of \$1,343,900,000, operating expenses of \$1,259,200,000, and a net loss of \$27,117,000 (unaudited). In 2015, Republic carried 21,900,000 passengers an average of 479 miles per passenger, with a passenger load factor of 79.2%.

5. 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.

Jurisdiction

6. This Court has jurisdiction to consider this matter 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.

The Foreign Creditors

7. In the ordinary course of conducting its business, Republic incurs various obligations to foreign vendors, service providers, independent contractors, and other parties, as well as to various governmental and quasi-governmental authorities, including, without limitation, foreign, provincial, municipal, or airport authorities (collectively, the "Foreign Creditors").

8. Republic relies on its Foreign Creditors, whose locations may include Canada, Mexico, the Caribbean, Central America, and Brazil, for goods and services that are crucial to Republic's ongoing business. For example, goods, permits, licenses, and rights provided by certain Foreign Creditors allow Republic to, among other things, land, service, repair, and fuel aircraft at foreign airports, and allow Republic to access international airspace, operate within international air traffic control systems, obtain in-flight communications for flight crews, and permit crews to access timely weather information in-flight. Other Foreign Creditors of Republic provide overnight accommodations to flight crews and transportation to and from the accommodations, and perform other services, such as on-call maintenance, which are necessary for Republic to conduct its business in a foreign jurisdiction. Any number of Republic's Foreign Creditors may lack minimum contacts with the United States, and therefore, are not likely to be subject to the jurisdiction of the Court or provisions of the Bankruptcy Code that otherwise protect Republic's assets and business operations.

Relief Requested

9. Republic's foreign operations are an essential component of its airline business. Republic flies internationally to Canada, the Bahamas, the Dominican Republic, Turks and Caicos, Martinique, and Guadalupe, or to other locations as directed by its Codeshare Partners from time to time. These international routes are an important source of Republic's revenue and key to its relationships with its partners. If the value of Republic's assets is to be preserved, Republic must continue its international operations in the ordinary course and satisfy its related obligations on a current basis. Failure to do so will severely disrupt Republic's flight schedules and adversely impact goodwill.

10. Accordingly, by this motion, pursuant to sections 363(b), 105(a), and 503(b)(9) of the Bankruptcy Code, Republic seeks entry of an order authorizing, but not

directing, it to satisfy, in its sole discretion in the ordinary course of business, the prepetition obligations owed to Foreign Creditors. Republic also requests that the Court authorize and direct the banks and other financial institutions at which the Debtors maintain disbursement accounts, to receive, process, honor, and pay, at Republic's direction, to the extent of funds on deposit or otherwise available, any and all checks drawn or automatic or other electronic fund transfers requested or to be requested by Republic relating to the Foreign Claims without further order of the Court. A proposed form of order granting the relief requested on an interim basis is annexed hereto.

11. Republic estimates that the aggregate amount of its prepetition obligations to Foreign Creditors is approximately \$500,000, of which approximately \$250,000 is due within thirty days of the Commencement Date. These obligations include, among other things, the following:

- Aircraft Repairs, Ground Handling and Maintenance Services. In the ordinary course of Republic's business, Republic relies on Foreign Creditors to service, repair, and maintain its aircraft at foreign airports. Republic is subject to multiple regulations imposed by the Federal Aviation Administration and the National Transportation and Safety Board for aircraft safety and sanitation levels. To verify compliance with these obligations, Republic must inspect its aircraft regularly. Without Foreign Creditors to perform these services while Republic's aircraft are abroad, Republic would not be capable of ensuring compliance with these standards and potentially would not be permitted to continue its international flight operations.
- Flight Communications and Data. To maintain its complex flight operations, Republic requires timely communication with its aircraft and access to critical data, including air traffic, weather patterns, and other information affecting the ability to safely and effectively navigate and communicate with its aircraft. Continuous exchange and receipt of flight communications and data is necessary to ensure the

safety of all passengers and preserve Republic's uninterrupted international flight operations.

- Crew Services. Republic is subject to Federal Aviation Administration regulations regarding crew rest. In order to ensure its crews receive sufficient rest, consistent with its obligations, Republic must provide its airline crews adequate lodging and other necessities while in foreign countries. Without the services of these Foreign Vendors, Republic would not be able to ensure its compliance with federal standards and would not be able to adequately staff its international flights.
- Access to Foreign Airspace and Airports. One of the most important aspects of Republic's international operations is the ability to access foreign airspace. Without these rights, Republic would be forced to terminate all international flights, which would render it unable to comply with its Code-Share Agreements. To preserve these rights and ensure uninterrupted international operations, Republic must remain current on its payment obligations for international airspace rights.
- International Air Traffic Control. Republic depends on international air traffic control in the different international airports from which Republic operates. Air traffic control services are necessary to keep air traffic organized, prevent collisions, and provide critical information to pilots in flights. In the event of any lapse of international air traffic control services, Republic would not be able to continue to serve its customers and passengers. To ensure uninterrupted air traffic control services, Republic must remain current on its payment obligations to these providers.
- Foreign Taxes. Republic collects, withholds, and incurs, on behalf of foreign governmental authorities, an assortment of foreign taxes, fees, and other charges, including, without limitation, corporate gross and net income tax, net worth taxes, property taxes, liquor taxes, license taxes, departure taxes, customs duties and excise taxes, arrival and departure taxes, and airport fees (collectively, the "Foreign Taxes"). Additionally, Republic contracts with the Foreign Creditors to provide certain essential tax and accounting services that are necessary to comply with regulatory and tax laws in certain foreign jurisdictions. Republic is obligated to timely collect, withhold, incur, and remit Foreign Taxes to the applicable foreign governmental authorities. Nonpayment of Foreign Taxes may cause foreign governmental

authorities to take precipitous action that could disrupt Republic's operations and potentially impose significant additional and unnecessary costs upon Republic's estates.

Basis for Relief Requested

12. Republic is making every effort to avoid interruptions in its operations and the adverse effects that even a temporary break could have on its business. Any short-term disruption could generate instability and thus jeopardize Republic's ability to service its Codeshare Partners going forward. Because of the nature of Republic's business, Foreign Creditors may or have made credible actionable threats that, unless their prepetition debt is paid, they will cease to supply Republic with the specialized goods and services necessary to maintain Republic's operations. To preserve the value of Republic's assets, it must have the ability to continue to pay its Foreign Creditors on an uninterrupted basis.

13. Most of the Foreign Creditors have little or no connection to the United States. Although the scope of the automatic stay set forth in section 362 of the Bankruptcy Code is universal, the Court is well aware of the difficulty (if not impossibility) of enforcing the stay in foreign jurisdictions if the creditor against which enforcement is sought has no presence in the United States. As a result, despite the commencement of these cases and the imposition of the automatic stay, Foreign Creditors likely would be able to immediately pursue remedies and seek to collect prepetition amounts owed to them. Indeed, there is the real risk that Foreign Creditors may attach or seize Republic's assets in their jurisdictions even before obtaining a judgment—which would significantly disrupt operations.

14. In light of the potential for serious and potentially irreparable consequences, Republic has determined, in the exercise of its business judgment, that payment of the Foreign Creditors' claims is essential and that the relief requested should be granted.

Ample Cause Exists to Grant the Relief Requested

15. Pursuant to sections 363(b), 105(a), and 503(b)(9) of the Bankruptcy Code, the Court may authorize Republic to satisfy outstanding prepetition obligations to Foreign Creditors.

16. Section 363(b) of the Bankruptcy Code provides that “the trustee, after notice and a hearing, may use, sell, or lease, other than in the ordinary course of business, property of the estate.” To approve the use of a debtor’s assets outside the ordinary course of business pursuant to section 363(b), a Court must find that a “good business reason” exists for the use of the assets. *See, e.g., Official Comm. of Unsecured Creditors v. Enron Corp. (In re Enron Corp.)*, 335 B.R. 22, 27-28 (S.D.N.Y. 2005) (quoting *In re Lionel Corp.*, 722 F.2d 1063, 1071 (2d Cir. 1983)); *In re Ionosphere Clubs, Inc.*, 98 B.R. 174, 175 (Bankr. S.D.N.Y. 1989).

17. The business judgment rule is satisfied where “the directors of a corporation acted on an informed basis, in good faith and in the honest belief that the action taken was in the best interests of the company.” *Official Comm. of Subordinated Bondholders v. Integrated Res., Inc. (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)), *appeal dismissed*, 3 F.3d 49 (2d Cir. 1993). “Where 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 v. Johns-Manville Corp. (In re Johns-Manville Corp.)*, 60 B.R. 612, 616 (Bankr. S.D.N.Y. 1986). Courts in this District consistently have declined to interfere with corporate decisions absent a showing of bad faith, self-interest, or gross negligence, and have upheld a board’s decisions as long as those decisions are attributable to any “rational business purpose.” *Integrated*, 147 B.R. at 656 (quoting *CRTF Corp. v. Federated Dep’t Stores*, 683 F. Supp. 422, 436 (S.D.N.Y. 1988)).

18. Courts have properly relied on the broad authority granted under section 363(b) to authorize debtors in possession to satisfy prepetition claims of foreign creditors in circumstances where, as here, the estate will obtain more value for all creditors or avoid more harm by making the prepetition payments. *See, e.g., In re Tropical Sportswear Int'l Corp.*, 320 B.R. 15, 19-20 (Bankr. M.D. Fla. 2005) (authorizing debtor to pay, pursuant to 363(b), certain foreign creditors' prepetition claims where the payments were "necessary" and "appropriate" to debtor's reorganization). Here, because the relief requested is critical to Republic's continued operations, the relief is warranted under section 363(b) of the Bankruptcy Code.

19. Furthermore, certain of the Foreign Creditors that Republic is seeking authority to pay delivered aircraft parts, supplies, equipment or other goods in the ordinary course to Republic within the twenty days before the Commencement Date and are entitled to administrative expense priority pursuant to section 503(b)(9) of the Bankruptcy Code. Payment to any Foreign Creditors on account of such deliveries at the onset of these chapter 11 cases, therefore, merely accelerates the timing of payment and not the ultimate treatment of such claims. As administrative claims incurred in the ordinary course of business, Republic submits that it may pay such claims in accordance with its business judgment pursuant to section 363(c)(1) of the Bankruptcy Code. Additionally, all creditors will benefit from the seamless transition of Republic's operations into chapter 11.

20. Section 1107(a) of the Bankruptcy Code "contains an implied duty of the debtor-in-possession" to act as a fiduciary to "protect and preserve the estate, including an operating business' going-concern value," on behalf of the debtor's creditors and other parties in interest. *In re CEI Roofing, Inc.*, 315 B.R. 50, 59 (Bankr. N.D. Tex. 2004) (quoting *In re CoServ, L.L.C.*, 273 B.R. 487, 497 (Bankr. N.D. Tex. 2002)); *see also Unofficial Comm. of*

Equity Holders v. McManigle (In re Penick Pharm., Inc.), 227 B.R. 229, 232-33 (Bankr. S.D.N.Y. 1998) (“[U]pon filing its petition, the Debtor became debtor in possession and, through its management . . . was burdened with the duties and responsibilities of a bankruptcy trustee”). Accordingly, Republic submits that the Court has the authority, pursuant to its equitable powers under section 105(a), to authorize Republic to pay any prepetition amounts that may be owed to Foreign Creditors because the payments are necessary for Republic to carry out its fiduciary duties under section 1107(a) of the Bankruptcy Code. In addition, section 105(a) of the Bankruptcy Code empowers the Court to “issue any order, process, or judgment that is necessary or appropriate to carry out the provisions of” the Bankruptcy Code. *See Schwartz v. Aquatic Dev. Group, Inc. (In re Aquatic Dev. Group, Inc.)*, 352 F.3d 671, 680 (2d Cir. 2003) (Straub, J., concurring) (“[I]t is axiomatic that bankruptcy courts are ‘courts of equity, empowered to invoke equitable principles to achieve fairness and justice in the reorganization process.’”) (quoting *In re Momentum Mfg. Corp.*, 25 F.3d 1132, 1136 (2d Cir. 1994)).

21. In a long line of well-established cases, courts consistently have permitted postpetition payment of prepetition obligations where necessary to preserve or enhance the value of a debtor’s estate for the benefit of all creditors. *See, e.g., In re Fin. News Network, Inc.*, 134 B.R. 732, 735-36 (Bankr. S.D.N.Y. 1991) (“[A] bankruptcy court may allow pre-plan payments of prepetition obligations where such payments are critical to the debtor’s reorganization.”); *Ionosphere*, 98 B.R. at 175 (citing *Miltenberger v. Logansport, C&S W.R. Co.*, 106 U.S. 286, 312 (1882) (payment of pre-receivership claim before reorganization permitted to prevent stoppage of “indispensable business relations”)); *Mich. Bureau of Workers’ Disability Comp. v. Chateaugay Corp. (In re Chateaugay Corp.)*, 80 B.R. 279, 285-86 (S.D.N.Y. 1987) (approving lower court order authorizing payment of prepetition wages, salaries, expenses, and benefits).

22. This “doctrine of necessity” functions in a chapter 11 reorganization as a mechanism by which the Court can exercise its equitable power to allow payment of critical prepetition claims not explicitly authorized by the Bankruptcy Code. See *In re Lehigh & New England Ry. Co.*, 657 F.2d 570, 581 (3d Cir. 1981) (quoting *In re Penn Cent. Transp. Co.*, 467 F.2d 100, 102 n.1 (3d Cir. 1972) (“[T]he ‘necessity of payment’ doctrine...[permits] immediate payment of claims of creditors where those creditors will not supply services or material essential to the conduct of the business until their pre-reorganization claims shall have been paid.”); *In re Boston & Me. Corp.*, 634 F.2d 1359, 1382 (1st Cir. 1980) (recognizing “existence of a judicial power to authorize trustees in reorganization to pay claims [for] goods and services indispensably necessary” to debtors’ continued operation); *In re Quality Interiors, Inc.*, 127 B.R. 391, 396 (“A general practice has developed . . . where bankruptcy courts permit the payment of certain pre-petition claims, pursuant to 11 U.S.C. § 105, where the debtor will be unable to reorganize without such payment.”); *In re Structurelite Plastics Corp.*, 86 B.R. 922, 931 (Bankr. S.D. Ohio 1988) (“[A] *per se* rule proscribing the payment of pre-petition indebtedness may well be too inflexible to permit the effectuation of the rehabilitative purposes of the Code.”). The rationale for the doctrine of necessity is consistent with the paramount goal of chapter 11—“facilitating the continued operation and rehabilitation of the debtor.” *Ionosphere*, 98 B.R. at 176.

23. The relief requested herein is warranted due to the limitations of the enforceability of the automatic stay, the risk of Foreign Creditors exercising remedial rights, and the critical nature of the goods and services provided by the Foreign Creditors, warrant the relief requested. Absent the uninterrupted rights, goods, and services Republic obtains from its Foreign Creditors, Republic’s ability to operate its business will be jeopardized. Simply stated,

payment of the obligations as proposed will assure the orderly operation of Republic's business and avoid costly disruptions and resulting significant loss of value and irreparable harm.

The Court Should Authorize and Direct Banks and Other Financial Institutions to Honor and Pay Checks Issued and Make Other Transfers to Pay Foreign Creditors

24. Republic requests that the Court authorize and direct the banks and other financial institutions at which Republic maintains disbursement accounts, including, without limitation, those identified on Schedule 1 to the proposed order (the "Banks"), to receive, process, honor, and pay, at Republic's direction and to the extent of funds on deposit or otherwise available therefor, all checks drawn or electronic fund transfers requested or to be requested by Republic with respect to its obligations to Foreign Creditors, whether arising prior to the Commencement Date or thereafter. Republic also seeks authority to issue new postpetition checks, or effect new electronic fund transfers, on account of those obligations to replace any prepetition checks or electronic fund transfer requests that may be lost, dishonored, or rejected because of the commencement of the chapter 11 cases.

Reservation of Rights

25. Nothing contained herein 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. Likewise, if this Court grants the relief sought herein, any payment made pursuant to the Court's order is not intended to be and should not be construed as an admission to the validity or priority of any claim or a waiver of Republic's rights to dispute such claim subsequently.

Fed. R. Bankr. P. 6003(b) Is Satisfied

26. Fed. R. Bankr. P. 6003(b) provides that, to the extent relief is necessary to avoid immediate and irreparable harm, a bankruptcy court may approve a motion to “pay all or part of a claim that arose before the filing of the petition” prior to twenty-one days after the case is commenced. As described herein, the continued and uninterrupted service of the Employees is critical to Republic’s business operations. Republic submits that the relief requested in this motion is necessary to avoid immediate and irreparable harm as described herein, and that rule 6003(b) has been satisfied.

Waiver of Fed. R. Bankr. P. 6004(a) and 6004(h)

27. To implement the foregoing immediately, Republic seeks a waiver of the notice requirements under Fed. R. Bankr. P. 6004(a) and the fourteen-day stay of an order authorizing the use, sale, or lease of property under rule 6004(h).

Notice

28. Notice of this motion is being 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. Republic submits that, in view of the facts and circumstances, such notice is sufficient and no other or further notice need be given.

29. No previous request for the relief sought herein has been made by
Republic to this or any other Court.

WHEREFORE Republic respectfully requests (i) entry of an order substantially in the form annexed hereto granting the relief requested herein on an interim basis, (ii) entry of an order granting the relief requested herein on a final basis, and (iii) such other and further relief as is just.

Dated: New York, New York
February 25, 2016

/s/ Bruce R. Zirinsky

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*Proposed 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-_____ (___)**
Debtors.¹ : **(Jointly Administered)**

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**INTERIM ORDER PURSUANT TO 11 U.S.C. §§ 363(b), 105(a) & 503(b)(9)
(i) AUTHORIZING, BUT NOT DIRECTING, DEBTORS TO PAY PREPETITION
OBLIGATIONS OWED TO FOREIGN CREDITORS AND (ii) AUTHORIZING AND
DIRECTING FINANCIAL INSTITUTIONS TO HONOR AND PROCESS RELATED
CHECKS AND TRANSFERS**

A hearing having been held on _____, 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), 363(b), and 503(b)(9) of title 11, United States Code (the "Bankruptcy Code"), for entry of an order (i) authorizing, but not directing, Republic to satisfy, in its sole discretion, prepetition obligations to Foreign Creditors (the "Foreign Claims"), and (ii) authorizing and directing the banks and financial institutions at which Republic maintains disbursement accounts, including but not limited to, those identified on Schedule 1 hereto (collectively, the "Banks") to pay, honor, and process related checks and automated and other electronic fund transfers with respect to such Foreign Claims, all as more

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1. The Debtors in these chapter 11 cases are the following entities: Republic Airways Services, Inc.; Shuttle America Corporation; Republic Airline Inc.; Republic Airways Holdings Inc.; Midwest Air Group, Inc.; Midwest Airlines, Inc.; and Skyway Airlines, Inc. The Debtors' employer tax identification numbers and addresses are set forth in their respective chapter 11 petitions.
 2. Capitalized terms not otherwise herein defined shall have the meanings ascribed to them in the Motion.

fully set forth in the Motion; and upon the Declaration of Bryan K. Bedford Pursuant to Local Bankruptcy Rule 1007-2 having been filed with the Court contemporaneously with the Motion (the “Bedford Declaration”); 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 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 upon the Motion, the papers in support thereof and the responses thereto, if any, the Bedford Declaration, the record of the Hearing, and all of the proceedings had before the Court; and the Court having found and determined that the relief sought in the Motion is 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 an interim basis, as provided herein; and it is further

ORDERED that pursuant to sections 363(b), 105(a), and 503(b)(9) of the Bankruptcy Code, Republic is authorized, but not directed, in the reasonable exercise of its business judgment, to pay or otherwise satisfy any or all of the Foreign Claims; provided that prior to the entry of an order following the hearing to consider the relief requested in the Motion on a final basis (the "Final Hearing") the amount paid with respect to Foreign Claims shall not exceed the aggregate amount of \$250,000; and it is further

ORDERED that each of the Banks at which Republic maintains its disbursement accounts is authorized and directed to receive, process, honor, and pay, at Republic's direction and to the extent of funds on deposit therefor, any and all checks drawn or electronic fund transfers requested or to be requested by Republic in respect of the Foreign Claims; 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 Foreign Claims to replace any prepetition checks or electronic fund transfer requests that may be lost or dishonored or rejected as a result of the commencement of Republic's chapter 11 cases; and it is further

ORDERED that Republic shall serve a copy of this Order upon each of the Notice Parties within three (3) business days of its entry; and it is further

ORDERED that nothing in the Motion or this Order shall be deemed to authorize Republic to accelerate any payments not otherwise due prior to the date of the Final Hearing; 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 Final Hearing on the Motion shall be held on _____, 2016 at __: __ .m. (Eastern Time), and any objections or responses to the Motion and entry of an order granting the relief requested on a final basis shall be in writing, filed with the Court in accordance with local rules and orders of the Court, and served upon (i) the proposed 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), Sharon J. Richardson, Esq. (srichardson@zirinskylaw.com), and Gary D. Ticoll, Esq. (gticoll@zirinskylaw.com) and

Hughes Hubbard & Reed LLP, One Battery Park Plaza, New York, New York 10004 (Attn: Christopher K. Kiplok, Esq. (chris.kiplok@hugheshubbard.com) and Ramsey Chamie, Esq. (ramsey.chamie@hugheshubbard.com)) and (ii) the Notice Parties, in each case so as to be received no later than at **4:00 p.m. (Eastern Time) on _____, 2016**; 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 interpretation, implementation, or enforcement of this Order.

Dated: New York, New York
_____, 2016

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