

Richard A. Graham
Ian J. Silverbrand
WHITE & CASE LLP
1155 Avenue of the Americas
New York, New York 10036-2787
Telephone: (212) 819-8200
Facsimile: (212) 354-8113

—and—

John K. Cunningham
Richard S. Kebrdle (admitted *pro hac vice*)
WHITE & CASE LLP
Southeast Financial Center
200 South Biscayne Boulevard, Suite 4900
Miami, Florida 33131-2532
Telephone: (305) 371-2700
Facsimile: (305) 358-5744

*Counsel for Banco Nacional de Desenvolvimento
Econômico e Social – BNDES and Agência Especial
de Financiamento Industrial – FINAME*

**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. : (Jointly Administered)

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**RESERVATION OF RIGHTS OF BANCO NACIONAL DE DESENVOLVIMENTO
ECONÔMICO E SOCIAL – BNDES AND AGÊNCIA ESPECIAL DE
FINANCIAMENTO INDUSTRIAL – FINAME TO DEBTORS’ MOTION FOR
ENTRY OF AN ORDER (I) AUTHORIZING DEBTORS TO OBTAIN POSTPETITION
FINANCING, (II) GRANTING LIENS AND PROVIDING SUPERPRIORITY
ADMINISTRATIVE EXPENSE STATUS, (III) MODIFYING THE AUTOMATIC
STAY AND (IV) GRANTING RELATED RELIEF**

Banco Nacional de Desenvolvimento Econômico e Social – BNDES and Agência
Especial de Financiamento Industrial – FINAME (collectively, the “Financing Parties”), by and

through their undersigned counsel, hereby submit this reservation of rights with respect to the *Debtors' Motion for Entry of an Order Pursuant to 11 U.S.C. §§ 105, 361, 362(d)(1), 363(b), 364(c)(1), 364(c)(2), 364(c)(3), 364(d), 364(e), 503(b)(1) and 507(b) and Fed. R. Bankr. P. 4001 and 6004 (I) Authorizing Debtors to Obtain Postpetition Financing, (II) Granting Liens and Providing Superpriority Administrative Expense Status, (III) Modifying the Automatic Stay and (IV) Granting Related Relief* [Docket No. 246] (the "Motion") and respectfully represent as follows:¹

RESERVATION OF RIGHTS

1. As of the Petition Date, the Financing Parties have aggregate claims of not less than approximately \$1.141 billion against the Debtors and are the Debtors' largest creditors.² Pursuant to certain security agreements, the Financing Parties' claims are secured by, among other things, eighty (80) Embraer-manufactured aircraft and related assets of the Debtors. Much of the Financing Parties' collateral constitutes "equipment" as described in sections 1110(a)(3)(A)(i) and (B) of the Bankruptcy Code.

2. The Financing Parties generally support the relief requested in the Motion, but they are concerned that the proposed order attached to the Motion, if entered in its existing form, would inappropriately affect certain statutory rights of parties secured by equipment protected by section 1110 of the Bankruptcy Code.

3. The Financing Parties have provided comments to the Debtors on the proposed order and reached an agreement in principle with counsel for the Debtors and Delta on language that would adequately address the Financing Parties' concerns. As of yet, however, the Debtors

¹ Capitalized terms used but not defined herein shall have the meanings ascribed to such terms in the Motion.

² See, e.g., *Declaration of Bryan K. Bedford Pursuant to Local Bankruptcy Rule 1007-2* [Docket No. 4]. The Financing Parties reserve their rights to claim amounts that differ from those scheduled by the Debtors.

have not provided the Financing Parties or the Court with finalized versions of their amended proposed order or the DIP Agreements (inclusive of exhibits and disclosure schedules). In light of the deadline to object to the Motion (which was extended for the Financing Parties to April 12, 2016 at 4:00 p.m.), and only out of an abundance of caution, the Financing Parties reserve all rights with respect to the Motion (including, but not limited to, the rights to file pleadings and participate at any hearing on the Motion) in the event that the final form of order and finalized DIP Agreements do not adequately address their concerns.

Dated: New York, New York
April 12, 2016

Respectfully submitted,

By: /s/ Richard A. Graham
Richard A. Graham
Ian J. Silverbrand
WHITE & CASE LLP
1155 Avenue of the Americas
New York, New York 10036-2787
Telephone: (212) 819-8200
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