

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

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In re : **Chapter 11 Case No.**
REPUBLIC AIRWAYS HOLDINGS INC., et al., : **16-10429 (SHL)**
Debtors.¹ : **(Jointly Administered)**

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**NOTICE OF PRESENTMENT OF STIPULATION AND ORDER
APPROVING SECTION 1110(b) EXTENSION FOR N288SK, N561RP,
N259JQ, N286SK, N287SK, N563RP AND N562RP**

PLEASE TAKE NOTICE that Republic Airways Holdings Inc. and certain of its wholly-owned direct and indirect subsidiaries, as debtors and debtors in possession in the above-captioned chapter 11 cases (collectively, the “Debtors”) will present the attached proposed stipulation and order (the “Order”) approving the Section 1110(b) extension for N288SK, N561RP, N259JQ, N286SK, N287SK, N563RP and N562RP to the Honorable Sean H. Lane, United States Bankruptcy Judge, for signature on **May 3, 2016 at 4:30 p.m. (Eastern Time)**.

PLEASE TAKE FURTHER NOTICE that any responses or objections to the Order (the “Objections”) must be in writing, shall conform to the Federal Rules of Bankruptcy Procedure and the Local Bankruptcy Rules for the Southern District of New York, and shall be filed with the Bankruptcy Court (a) by registered users of the Bankruptcy Court’s case filing system, electronically in accordance with General Order M-399 (which can be found at <http://nysb.uscourts.gov>) and (b) by all other parties in interest, on a 3.5 inch disk, in text searchable portable document format (PDF) (with a hard copy delivered directly to Chambers),

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.

in accordance with the customary practices of the Bankruptcy Court and General Order M-399, to the extent applicable, and served in accordance with General Order M-399 and on (i) the chambers of the Honorable Judge Sean H. Lane; (ii) 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), 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), John K. Hoyns, Esq. (john.hoyns@hugheshubbard.com), and Gabrielle Glemann, Esq. (gabrielle.glemann@hugheshubbard.com)), (iii) the Office of the United States Trustee for the Southern District of New York, 201 Varick Street, Suite 1006, New York, New York 10014 (Attn: Brian Masumoto, Esq.), (iv) proposed counsel to the Committee, Morrison & Foerster LLP, 250 West 55th Street, New York, New York 10019 (Attn: Brett H. Miller, Esq. (bmiller@mofocom), Todd M. Goren, Esq. (tgoren@mofocom), and Erica J. Richards, Esq. (erichards@mofocom)), (v) the Ad Hoc Equity Committee, 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)), and (vi) unless it is the party who filed such Objection, the Aircraft Parties set forth on Schedule 1 to the Order and their respective counsel, so as to be received no later than **May 3, 2016 at 4:00 p.m. (Eastern Time)** (the “Objection Deadline”).

PLEASE TAKE FURTHER NOTICE that unless Objections are received by the
Objection Deadline, the Order may be signed.

Dated: New York, New York
April 22, 2016

/s/ Gary D. Ticoll
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Sharon J. Richardson
Gary D. Ticoll
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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.¹ : **(Jointly Administered)**

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**STIPULATION AND ORDER APPROVING SECTION 1110(b) EXTENSION
FOR N288SK, N561RP, N259JQ, N286SK, N287SK, N563RP AND N562RP**

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”), and the aircraft financing parties set forth on Schedule 1 hereto (each, an “Aircraft Party” and, collectively, the “Aircraft Parties”) hereby stipulate and agree as follows:

1. On February 25, 2016 (the “Commencement Date”), each of the Debtors filed voluntary petitions for relief under chapter 11 of title 11 of the United States Code (the “Bankruptcy Code”). The Debtors are operating their business and managing their properties as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code.

2. Pursuant to certain financing arrangements with the Aircraft Parties (the “Aircraft Agreements”), Shuttle America Corporation, a subsidiary of RAH and a Debtor (“Shuttle”), as successor to Chautauqua Airlines, Inc., was granted the right to use (i) the aircraft and aircraft engines identified by U.S. Federal Aviation Administration numbers and

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.

manufacturer serial numbers identified on Schedule 1 hereto (the “Aircraft”), (ii) all appliances and spare parts installed thereon or appurtenant thereto (each as defined in section 1110(a)(3)(A)(i) of the Bankruptcy Code, the “Aircraft Parts”), and (iii) all records, logs and documents relating thereto (the “Aircraft Records” and, collectively with the Aircraft and the Aircraft Parts, the “Aircraft Equipment”).

3. The Aircraft Equipment may constitute “equipment” within the meaning of sections 1110(a)(3)(A)(i) and 1110(a)(3)(B) of the Bankruptcy Code. Accordingly, the Aircraft Equipment and the Aircraft Agreements may be entitled to the protections of section 1110 of the Bankruptcy Code; *provided, however*, that entry of this stipulation (together with any and all exhibits and schedules attached hereto, the “Stipulation”) shall not be deemed (a) to constitute an admission by the Debtors that the Aircraft Equipment constitutes “equipment” within the meaning of section 1110 of the Bankruptcy Code or that the Aircraft Agreements are entitled to the protections of section 1110 of the Bankruptcy Code, or (b) a waiver by the Aircraft Parties of any right to assert that the Aircraft Equipment constitutes “equipment” within the meaning of section 1110 of the Bankruptcy Code or that the Aircraft Agreements are entitled to the protections of section 1110 of the Bankruptcy Code. The Debtors and the Aircraft Parties reserve all their respective rights and defenses with respect to the foregoing.

4. Pursuant to section 1110(b) of the Bankruptcy Code, if the Aircraft Equipment constitutes “equipment” under section 1110 of the Bankruptcy Code, the Debtors have requested that the Aircraft Parties extend the 60-day period set forth in section 1110(a)(2) of the Bankruptcy Code (the “Section 1110 Period”). The Aircraft Parties have agreed to this extension of the Section 1110 Period, and the continued effectiveness of this Stipulation is subject to the following conditions:

(a) the Debtors' compliance with the terms of this Stipulation during the Extension Period (as defined below); and

(b) the Debtors' taking all actions reasonably necessary to ensure that there are no Events of Default (as defined in the Aircraft Agreements) (other than (i) Events of Default based on the failure to pay amounts due thereunder or referenced therein and not otherwise expressly required to be paid under this Stipulation, (ii) Events of Default of a kind specified in section 365(b)(2) of the Bankruptcy Code, (iii) Events of Default based on defaults under other indebtedness or lease or other obligations of any of the Debtors and not otherwise expressly required to be cured under this Stipulation, or (iv) Events of Default based on a failure to comply with financial covenants and not otherwise expressly required to be cured under this Stipulation), during the Extension Period (as defined below).

5. The Section 1110 Period is hereby extended with respect to each Aircraft and related Aircraft Equipment, for all purposes, effective April 24, 2016, until 11:59 p.m. (prevailing Eastern Time) on the date such Aircraft is required to be returned to the Aircraft Parties pursuant to the Summary of Terms and Conditions attached to this Stipulation as Schedule 2 (the "Term Sheet") or such earlier date as the Debtors and the Aircraft Parties may agree (such extension, together with any further extensions on the terms set forth below, the "Extension Period").

6. The Aircraft Parties party hereto represent and warrant that they have full authority under the Aircraft Agreements and related controlling documents to enter into and perform this Stipulation and otherwise authorize the Debtors' continued use of the Aircraft Equipment.

7. The Debtors and the Aircraft Parties shall comply with their obligations set forth in the Term Sheet, including in the case of the Debtors making the payments required to be made by them under the Term Sheet. Such payments shall be made and applied in accordance with the terms of the Aircraft Agreements and the “Lessee Consents” (as defined in the Term Sheet), shall be credited against the Debtors’ obligations thereunder and shall not be subject to disgorgement. By accepting these payments, the Aircraft Parties do not waive any right to receive the full amounts due under the Aircraft Agreements, except to the extent otherwise provided in the Term Sheet.

8. Notwithstanding anything in the Bankruptcy Code to the contrary, including the provisions of sections 363(e) and 365(d)(5) of the Bankruptcy Code (to the extent applicable), the Debtors shall not be obligated to make, and the Aircraft Parties shall not seek, any payments under the Aircraft Agreements or with respect to the Aircraft Equipment during the Extension Period, except as specifically provided in the Term Sheet.

9. The parties hereby agree and acknowledge that this Stipulation does not constitute an election or, except as expressly set forth in paragraph 5 and 7 of this Stipulation, an agreement by the Debtors under section 1110(a) of the Bankruptcy Code or any other provision of the Bankruptcy Code, and nothing contained herein shall be construed as such an election or agreement. The parties also agree and acknowledge that this Stipulation does not constitute an assumption by the Debtors of the Aircraft Agreements under section 365 of the Bankruptcy Code (to the extent such section is applicable), and nothing contained herein shall be construed to constitute such an assumption. The Aircraft Parties agree that they shall not assert in any judicial proceeding that this Stipulation constitutes either an agreement under section 1110(a) of the Bankruptcy Code or an assumption under section 365 of the Bankruptcy Code.

10. Except to the extent otherwise provided herein, this Stipulation does not limit or affect the rights, remedies, or claims of the Aircraft Parties, if any, under other provisions of the Bankruptcy Code, subject to all rights, defenses and objections of the Debtors and any other party in interest.

11. The Debtors and the Aircraft Parties agree that this Stipulation does not otherwise affect any term or provision of the Aircraft Agreements except as expressly set forth in this Stipulation, and that the parties hereto reserve all of their respective rights and remedies with respect thereto.

12. This Stipulation shall be binding upon (a) the Debtors and any trustee or examiner that may be appointed in the pending chapter 11 cases, and their respective successors and assigns, (b) the Aircraft Parties and their respective successors and assigns and (with respect to those Aircraft Parties that are trusts or trustees) trust beneficiaries who so direct or authorize the trusts or the trustee of the trusts to enter into this Stipulation, (c) the trustee in the event that the above-captioned cases are converted to cases under chapter 7 of the Bankruptcy Code, and (d) all creditors and other parties in interest in the above-captioned cases. Notwithstanding anything else contained herein, any provision of this Stipulation is binding on an Aircraft Party to the extent that such Aircraft Party is a signatory hereof or the signatories hereof have the authority under the Aircraft Agreements or otherwise to bind such Aircraft Party with respect to the subject matter of such provision.

13. This Stipulation is subject to and effective upon the final approval of the Court. The Debtors shall promptly cause this Stipulation to be presented to the Court for approval in accordance with the Order Authorizing the Debtors to (i) Enter into Agreements Under 11 U.S.C. § 1110(a), (ii) Enter into Stipulations to Extend the Time to Comply with 11

U.S.C. § 1110, and (iii) File Redacted Section 1110 Election Notices and Section 1110(b) Stipulations, as entered on March 23, 2016 (the “Order”). Upon approval, this Stipulation shall be effective as of the date it was filed with the Court.

14. This Stipulation may be executed in one or more counterparts, by facsimile, electronic transmission or otherwise, each of which shall be deemed an original, and all of which, when taken together, shall constitute one and the same document.

15. This Stipulation, together with section 1110 of the Bankruptcy Code and the Aircraft Agreements, each as modified pursuant to the terms of this Stipulation, contain the entire agreement between the Aircraft Parties and the Debtors as to the subject matter hereof, and all understandings, agreements, and communications prior to the date hereof, whether express or implied, oral or written, relating to the subject matter hereof are fully and completely extinguished and superseded by this Stipulation and the Aircraft Agreements as modified or otherwise affected hereby. In the event of any inconsistency between this Stipulation and either the Aircraft Agreements or the Order, or between this Stipulation and the Debtors’ Motion with respect to the Order, this Stipulation shall govern. This Stipulation shall not be altered, amended, modified, or otherwise changed, and the rights hereunder may not be waived, except by a writing dated subsequent to the date hereof and duly signed by each of the Aircraft Parties and the Debtors.

16. To the extent nonbankruptcy law governs any provision of this Stipulation, this Stipulation shall be interpreted, and the rights and duties of the parties hereto shall be determined, in accordance with the laws of the State chosen by the Debtors and the Aircraft Parties in the Aircraft Agreements.

17. Unless otherwise specifically provided herein, all notices required or permitted by the terms of the Aircraft Agreements or this Stipulation shall be in writing, and any such notice shall become effective upon receipt by the addressee of such notice by certified mail (return receipt requested), overnight courier service, electronic mail, or facsimile to the following addresses:

(A) If to the Debtors:

Zirinsky Law Partners PLLC
375 Park Avenue, Suite 2607
New York, New York 10152
Attn: Bruce R. Zirinsky, Esq., Sharon J. Richardson, Esq., and Gary D. Ticoll, Esq.
bzirinsky@zirinskylaw.com
srichardson@zirinskylaw.com
gticoll@zirinskylaw.com

-and-

Hughes Hubbard & Reed LLP
One Battery Park Plaza
New York, New York 10004
Attn: Christopher K. Kiplok Esq., John K. Hoyns, Esq. and Gabrielle Glemann,
Esq.
chris.kiplok@hugheshubbard.com
john.hoyns@hugheshubbard.com
gabrielle.glemann@hugheshubbard.com

(B) If to any Aircraft Party, then as is set forth on Schedule 3 hereto or to its counsel filing any Notice of Appearance in these chapter 11 cases.

(C) If to proposed counsel to the statutory Committee of Unsecured Creditors:

Morrison & Foerster LLP
250 West 55th Street
New York, New York 10019
Attn: Brett H. Miller, Esq., Todd M. Goren, Esq., and Erica J. Richards, Esq.
BMiller@mofocom
TGoren@mofocom
ERichards@mofocom

Dated: New York, New York
April 22, 2016

/s/ Gary D. Ticoll
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Sharon J. Richardson
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*Attorneys for the Debtors and
Debtors in Possession*

Dated: April 22, 2016


**WELLS FARGO BANK NORTHWEST,
NATIONAL ASSOCIATION**, not in its
individual capacity but solely as Owner
Trustee

By: 

**DeAnn Madsen
Vice President**

Dated: April 22, 2016

ALF VI, Inc., as the beneficiary with
respect to the Aircraft

By:  _____
Glenn P. Davis
President

This Court having determined that the approval requested in the Stipulation is in the best interests of the Debtors, their estates and creditors, and it appearing that proper and adequate notice has been given and that no other or further notice is necessary, and upon the record herein, and after due deliberation thereon, and good and sufficient cause appearing therefore,

IT IS HEREBY ORDERED, ADJUDGED AND DECREED THAT:

1. The Stipulation and the transactions contemplated therein are APPROVED in their entirety.
2. Notwithstanding any provision of the Bankruptcy Code, the Federal Rules of Bankruptcy Procedure or the Local Rules of this Court to the contrary, this Order shall take effect immediately upon entry.

Dated: New York, New York
_____, 2016

United States Bankruptcy Judge

SCHEDULE 1

AIRCRAFT PARTIES

ALF VI, Inc., as the beneficiary with respect to the Aircraft

Wells Fargo Bank Northwest, National Association,
not in its individual capacity but solely as Owner Trustee

AIRCRAFT EQUIPMENT

<u>Aircraft Manufacturer and Model</u>	<u>U.S. Registration Number</u>	<u>MSN</u>	<u>Engines</u>	
			<u>ESN #1</u>	<u>ESN #2</u>
Embraer EMB-145LR	N286SK	145443	CAE311812	CAE311813
Embraer EMB-145LR	N287SK	145460	CAE311861	CAE311860
Embraer EMB-145LR	N288SK	145461	CAE311866	CAE311867
Embraer EMB-145LR	N561RP	145447	CAE311837	CAE311826
Embraer EMB-145LR	N562RP	145451	CAE311920	CAE311928
Embraer EMB-145LR	N563RP	145509	CAE311937	CAE311948
Embraer EMB-145LR	N259JQ	145763	CAE312454	CAE312497

SCHEDULE 2

Summary of Terms and Conditions

[REDACTED]

SCHEDULE 3

Notice Information for Aircraft Parties

Wells Fargo Bank Northwest, National Association, not in its individual capacity but solely as
Owner Trustee
299 S. Main St., 5th Floor
MAC: U1228-051
Salt Lake City, Utah 84111
Tel: (801) 246-5630
Fax: (801) 246-5053
Attn: Corporate Trust Services

ALF VI, Inc.
c/o RESIDCO
Three First National Plaza
70 W. Madison Street, Suite 2340
Chicago, IL 60602
Attention: Treasury & Control
Phone: (312) 726-0695
Fax No.: (312) 726-3690