

UNITED STATES BANKRUPTCY COURT  
FOR THE NORTHERN DISTRICT OF ILLINOIS  
WESTERN DIVISION

In re	)	
	)	Chapter 11
RYAN INTERNATIONAL AIRLINES, INC.,	)	
<i>et al.</i> <sup>1</sup>	)	Case No. 12-80802
	)	
Debtors.	)	Jointly Administered
	)	

**ORDER**

This Court having determined that the approval requested in the Stipulation Resolving Objection of Official Committee of Unsecured Creditors to Final Order of Authorization to Obtain Post-Petition Financing of INTRUST Bank, N.A. and Final Order Authorizing Use of Cash Collateral and Granting Adequate Protection and Administrative Expense Priority to INTRUST Bank, N.A. attached hereto 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 therefor,

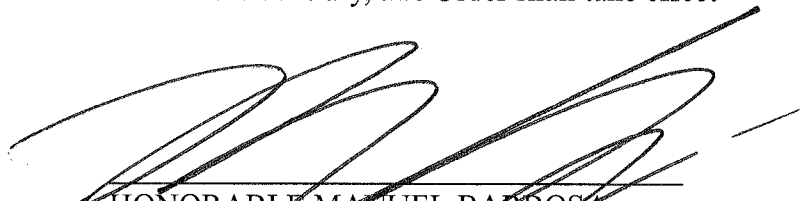
IT IS HEREBY ORDERED, ADJUDGED AND DECREED, EFFECTIVE IMMEDIATELY, THAT

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.

**MAY 21 2012**

Dated: May \_\_\_\_, 2012  
Rockford, Illinois



HONORABLE MANUEL BARBOSA  
UNITED STATES BANKRUPTCY JUDGE

<sup>1</sup> The Debtors in these Chapter 11 cases, along with the last four digits of each Debtor's federal taxpayer identification number include: Ryan International Airlines, Inc., 1437; Rubloff 757-MSN24794, LLC, 1494; Rubloff Ryan, L.L.C., 1289; Rubloff/Ryan 80 LLC, 4274; Ryan 763BK, L.L.C., 4107; Ryan 767, LLC, 6777; Sundowner 102, LLC, 6462; Sundowner Alexandria LLC, 1058; Sundowner Mesa, LLC f/k/a Prisoner Transportation Services, LLC, 7195; Sundowner Oklahoma City LLC, 0958; Rubloff Aerospace, L.L.C., 4536.

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**STIPULATION RESOLVING OBJECTION OF OFFICIAL COMMITTEE OF  
UNSECURED CREDITORS TO FINAL ORDER OF AUTHORIZATION TO OBTAIN  
POST-PETITION FINANCING OF INTRUST BANK, N.A. AND FINAL ORDER  
AUTHORIZING USE OF CASH COLLATERAL AND  
GRANTING ADEQUATE PROTECTION AND ADMINISTRATIVE EXPENSE  
PRIORITY TO INTRUST BANK, N.A.**

This Stipulation is entered into by and among INTRUST Bank, N.A. (“INTRUST Bank”), by and through its counsel of record, Redmond & Nazar, L.L.P., Wichita, Kansas and Thomas P. Sandquist of Williams McCarthy, L.L.P., Rockford, Illinois, and the Official Committee of Unsecured Creditors (the “Committee”), by and through its counsel, Sidley Austin LLP and the Debtors, by and through its counsel, Hinshaw & Culbertson, LLC.

The parties stipulate and agree:

1. The Debtors filed petitions for relief under Chapter 11 of the United States Bankruptcy Code on or about March 6, 2012 (the “Petition Date”).
2. A Motion to Authorize Debtors to Obtain Post-Petition Financing, Grant Priming Liens and Security Interests, Provide Adequate Protection to Pre-Petition Secured Creditors and

<sup>1</sup> The Debtors in these Chapter 11 cases, along with the last four digits of each Debtor’s federal taxpayer identification number include: Ryan International Airlines, Inc., 1437; Rubloff 757-MSN24794, LLC, 1494; Rubloff Ryan, L.L.C., 1289; Rubloff/Ryan 80 LLC, 4274; Ryan 763BK, L.L.C., 4107; Ryan 767, LLC, 6777; Sundowner 102, LLC, 6462; Sundowner Alexandria LLC, 1058; Sundowner Mesa, LLC f/k/a Prisoner Transportation Services, LLC, 7195; Sundowner Oklahoma City LLC, 0958; Rubloff Aerospace, L.L.C., 4536 (the “Debtors”).

Schedule a Final Hearing was filed by the Debtors on behalf of its post-petition lender, INTRUST Bank [Docket #6].

3. A Motion for Entry of an Order Directing Joint Administration of the bankruptcy cases was additionally filed [Docket #5].

4. An Order granting joint administration was entered on March 7, 2012 [Docket #33].

5. A Motion to Authorize Use of Cash Collateral and Granting Adequate Protection and Administrative Expense Priority to INTRUST Bank was filed on March 6, 2012 [Docket #13].

6. An Interim Order Authorizing Debtors to Obtain Post-Petition Financing... of INTRUST Bank was entered on March 7, 2012 [Docket #42].

7. An Interim Order Authorizing Use of Cash Collateral... of INTRUST Bank was granted on March 7, 2012 [Docket #44], scheduling a final hearing for March 21, 2012.

8. The interim orders granting use of cash collateral [Docket #44] and post-petition financing [Docket #42] were continued to an initial final hearing on March 21, 2012. Thereafter, these matters were continued for an evidentiary hearing on or about April 25, 2012.

9. A Final Order of Authorization to Obtain Post-Petition Financing... was granted as to all parties, with the exception of the Committee, Hardin County Savings Bank and Barrington Bank & Trust Company, N.A. on March 21, 2012 [Docket #89].

10. A Final Order Authorizing Use of Cash Collateral... was granted as to all parties, with the exception of the Committee, Hardin County Savings Bank and Barrington Bank & Trust Company, N.A. on March 21, 2012 [Docket #90].

11. Thereafter, the evidentiary pertaining to post-petition financing and use of cash collateral were continued pertaining to the objection of the Committee to April 25, 2012 at 1:00 p.m. The various objections of Hardin County Savings Bank and Barrington Bank & Trust Company, N.A. pertaining to the post-petition financing and use of cash collateral have been separately journalized and resolved as amended.

12. An objection to the use of cash collateral of INTRUST Bank and post-petition financing of INTRUST Bank was filed by the Committee [Docket #130]. This Stipulation and Order resolves the objections of the Committee and will allow an amended and restated final order to be entered as to all creditors and parties in interest, including the Committee, Barrington Bank & Trust Company, N.A. and Hardin County Savings Bank.

13. The terms and conditions of the Stipulation pertaining to Hardin County Savings Bank and/or Barrington Bank & Trust Company, N.A. are attached hereto as Exhibit "A" and are incorporated by reference herein and shall include the amendments or exhibits previously filed with the Court memorializing the settlement with these parties.

14. Notwithstanding anything to the contrary contained in the Final Order of Authorization to Obtain Post-Petition Financing of INTRUST Bank (the "DIP Loan Order") and Final Order Authorizing Use of Cash Collateral and Granting Adequate Protection and Administrative Expense Priority to INTRUST Bank (the "Cash Collateral Order") [Docket #89 and Docket #90] (collectively, the "Financing Orders"), the Debtors, INTRUST Bank and the Committee agree to the following modification of the Financing Orders to resolve all objections of the Committee:

a. In the event of an Event of Default (as defined in Paragraph 23 of the Cash Collateral Order) and under the Financing Orders (as modified herein), INTRUST Bank

shall be required to (i) provide a notice of Event of Default to the Debtors and the Committee and (ii) provide the Debtors: (1) with a 14-day cure period (the “14-Day Cure Period”) to cure any alleged event of monetary default. Subsequent to the expiration of the 14-Day Cure Period, INTRUST Bank must obtain an order from the Court to enforce any remedies; provided, however, nothing contained herein or in the Financing Orders shall prevent the Committee or the Debtors from (a) objecting to any request by INTRUST Bank to exercise remedies or (b) contesting whether an Event of Default has occurred; and (2) with a 30-day cure period (the “30-Day Cure Period”) to cure any alleged event of non-monetary default. Subsequent to the expiration of the 30-Day Cure Period, INTRUST Bank must obtain an order from the Court to enforce any remedies; provided, however, nothing contained herein or in the Financing Orders shall prevent the Committee or the Debtors from (a) objecting to any request by INTRUST Bank to exercise remedies or (b) contesting whether an Event of Default has occurred;

b. Carve Out-Costs (as defined in paragraph 21 of the Cash Collateral Order) shall also include all budgeted fees, costs and expenses for counsel for the Committee, as approved by the Court under 11 USC 330 incurred or accrued prior to the date in which a judicial determination is made by this Court as to whether an event of default exists under the Financing Orders (“Event of Default Determination”);

c. A variation of ten percent (10%) shall be allowed in any line item and in the cumulative totals of the amended budget (the “Amended Budget”), which is attached hereto as Exhibit A. A variation of greater than both these percentages shall be deemed an Event of Default;

d. Prior to the Petition Date, INTRUST Bank extended credit and lent money to certain of the Debtors and their non-debtor affiliates and principals. As of the Petition Date, the total outstanding sum of monies loaned or advanced by INTRUST Bank was \$53,201,821.16, including undrawn letters of credit and loans or advances secured by the assets of the Debtors, non-debtor affiliates and Debtors' principals ("Outstanding INTRUST Obligations").

e. Nothing in this Stipulation binds the Committee with the Debtors' representation of the value of INTRUST Bank's collateral in any Plan confirmation, any Chapter 7 proceeding, or upon sale of assets under 11 U.S.C. §363 pertaining to the amount of the debt or value of the collateral pertaining Instrument Nos. 46436 and 50224 and the Weber/Swenson Note.

f. Notwithstanding the foregoing, or any provision of this order or any other order entered into concerning the Financing Orders previously entered, the Committee shall have the right to challenge the validity and/or enforceability of the liability of the Debtors with respect to Instrument Nos. 46436 and 50224 and the Weber/Swenson Note in respect to the confirmation of a Chapter 11 Plan of Reorganization or sale of assets under 11 U.S.C. §363 or conversion to Chapter 7.

g. In the event that it is determined under a final order of a Court of competent jurisdiction that the Debtors have no liability on Instrument Nos. 46436 and 50224 and the Weber/Swenson Note, no right of reimbursement or recoupment shall exist against INTRUST Bank by the Committee, the Debtors or any other third party so long as INTRUST Bank remains the DIP lender or no Event of Default Determination has occurred. In the event an Event of Default Determination has occurred, no right of

reimbursement or recoupment shall exist against INTRUST Bank for any payments previously made.

h. The Committee shall have the authority to seek standing to prosecute, negotiate, settle and/or litigate all rights, claims, suits, objections, arguments, counts and causes of action belonging to each and every of the Debtors' estates and arising under Chapter 5 of the Bankruptcy Code, including without limitation against insiders, as well as all rights, claims, suits, objections, arguments, counts and causes of action belonging to each and every of the Debtors' estates arising under applicable non-bankruptcy law but related to virtue of factual or transactional nexus to Debtors' Chapter 5 claims, including without limitation against insiders (collectively, the "Avoidance Actions"), and to take any and all actions the Committee deems necessary or appropriate in connection with the Avoidance Actions;

i. In the event that there is a sale of all or substantially all assets of the Debtors securing obligations on which any Debtor is a co-obligor or a guarantor, collection of accounts receivable and redemption of value upon the sale of assets secured to INTRUST Bank under the provisions of 11 U.S.C. §363, a Chapter 11 Liquidating Plan, or in a Chapter 7 bankruptcy, and the sale of assets, collection of accounts receivable and/or the redemption of value generates proceeds less than the Outstanding INTRUST Obligations, the deficiency claim shall be treated as if it were pre-petition unsecured claim and shall be satisfied or treated in the same manner as other unsecured claims pursuant to the bankruptcy code.

j. In the event of a sale of less than substantially all Debtor or non-Debtor assets securing obligations on which any Debtor is a co-obligor or a guarantor, the seller

of such assets must remit payment to INTRUST Bank and such payment shall reduce on a dollar for dollar basis the DIP Obligations and the pre-petition indebtedness of INTRUST Bank. Subsequent to such a paydown, the INTRUST commitment under the DIP Financing shall remain in place for the Debtors to use on an as-needed basis, provided the Debtors maintain business operations in the ordinary course

k. In the event of a cessation of business and/or conversion to Chapter 7, in addition to the original payment of the Carve-Out Costs as previously defined, a sum of up to \$500,000 (the “Safe Harbor Payment”) may be paid from collected Cash Collateral by the Debtors for the limited purpose of the payment of unpaid post-petition wages and required tax payments associated with the payment of such wages, sales taxes (if any), and utility expenses;

l. INTRUST Bank shall be entitled to adequate protection payments at current non-default on the Prepetition Obligations, provided however, to the extent non-Debtor entities are primary obligors under any Prepetition Obligations, the Debtors take all reasonable steps to recover any payments made by the Debtors as adequate protection that are attributable to the non-debtor obligations;

m. Notwithstanding paragraph (o) above, the Committee does not in any way consent or acquiesce to the Debtors’ past, present, or future payment of any obligation (including any interest or adequate protection obligation) owed by any non-Debtor person entity and this provision appears solely as a result of a compromise with INTRUST Bank (and not the Debtors) relating to INTRUST Bank providing post-petition financing to the Debtors and the Committee reserves all rights to seek recovery from with respect to such



payments (other than from INTRUST Bank) to the extent the Debtors do not promptly seek such recovery;

n. Post-petition liens shall be granted to INTRUST Bank upon the Prepetition Collateral (as defined in paragraph 7 of the Cash Collateral Order) (such liens, the “DIP Roll-Up Liens”);

o. All DIP Roll-Up Liens granted to INTRUST Bank under paragraph (q) shall be granted upon the same collateral and same character of collateral as existed pre-petition. No improvement of its position is sought, except for a grant of security interest on the proceeds of Chapter 5 causes of action to secure the obligations described in paragraph (s);

p. Only to the extent of any unpaid amounts (“Unpaid DIP Financing Amounts”) owing under the DIP Facility (as defined in paragraph 2(a) of the DIP Financing Order), and failed adequate protection, post-petition liens shall be granted to INTRUST Bank on any encumbered property of the Debtors, including on the proceeds of Avoidance Actions, to secure any Unpaid DIP Financing Amounts, which such post-petition liens shall be subject to Carve-Out Costs pursuant to the approved Budget and the budgeted fees for the Committee and the Safe Harbor Payment;

q. Other than as provided in paragraphs (n), (o) and (p) herein, no other postpetition liens shall be granted to INTRUST Bank;

r. INTRUST Bank shall receive a super-priority administrative claim for any Unpaid DIP Amounts in all post-petition property of the Debtors (including any Avoidance Actions proceeds), provided, however, such super-priority administrative

claim shall be subject to Carve-Out Costs, budgeted professional of the Committee and the Debtors' professionals.

s. INTRUST Bank shall receive a super-priority administrative claim to the extent of any diminution in the value of the Prepetition Collateral in all post-petition property of the Debtors (including the proceeds of any Avoidance Actions), provided, however, such super-priority administrative claim shall be subject to Carve-Out Costs and be junior to the budgeted professional fees of the Committee and the Debtors' professionals;

t. Other than as provided in paragraphs (r) and (s) herein, no other super-priority administrative claims shall be granted to INTRUST Bank;

u. Provided that no Event of Default has occurred, the loan(s) maturing on July 9, 2012 shall be extended under such terms and conditions of the prior DIP Facility;

v. Subject to paragraph (f) herein, the Committee hereby agrees not to bring any cause of action against INTRUST Bank arising under or related to the Prepetition Credit Facility or the DIP Facility, provided, further, that notwithstanding the foregoing, INTRUST Bank agrees that it shall cooperate in the Committee's investigation related to any and all claims causes of action it may have against any other person or entity and INTRUST Bank consents to being named as a necessary or indispensable party (as defined in federal or state case law) in any suit resulting from the Committee's investigation brought against third parties to avoid a claim of lack of inclusion of necessary or indispensable party.

w. Nothing in this Stipulation and Order shall be deemed to prejudice the Committee or the Debtors to bring any claims against any person or entity related or

unrelated to the claims released under this Stipulation and Order. Further, the Committee's decision to waive, release, settle, forbear or otherwise not bring a claim or cause of action against a person or entity shall not prejudice its rights to bring a related or unrelated claim against any other person.

x. The terms and conditions set forth herein shall be deemed to modify and amend the Financing Orders.

y. To the extent any provision of this Stipulation and Order conflicts or is inconsistent with any provision of the Motion, the Financing Orders, any prepetition agreement or any DIP Loan Documents, the provisions of this Stipulation and Order shall control.

RESPECTFULLY SUBMITTED:

/s/Thomas P. Sandquist

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*Counsel Debtors and Debtors in Possession*

EXHIBIT TO FINAL ORDER

Limitation Upon Liens of Ryan 763BK, LLC:

INTRUST Bank, N.A. waives any lien on a certain Boeing 763 aircraft and all engines, appliances and related parts and equipment, and all records, logs and documents relating thereto (collectively, the "Aircraft Equipment") secured to Barrington Bank & Trust Company, N.A. ("Barrington Bank")

INTRUST Bank, N.A. hereby waives any lien under 11 U.S.C. §364 pertaining to the Aircraft Equipment secured to Barrington Bank and a certain Aircraft Lease Agreement between Ryan 763BK, LLC, as Lessor, and Ryan International Airlines, Inc., as Lessee.

In addition, INTRUST Bank, N.A. shall be granted a subordinate security interest and pledge of the membership interest of the Gerald H. Weber, Jr. and Patti R. Weber Trust dated November 29, 2005, and any amendments thereto, in Ryan 763BK, LLC and a grant of security interest and pledge of the membership interest of Ronald E. Swenson in Ryan 763BK, LLC.

In addition, INTRUST Bank N.A. waives any claim for administrative expenses against only Ryan 763BK, LLC.  
INTRUST Bank, N.A. waives any lien on the interests of GECAS AND APT Trust Sub I, as Lessor and Ryan International, Inc., as Lessee with respect to certain aircraft and aircraft leases and agreements.

*The objectives of Hardin County Savings Bank is renewed and set for hearing on March 28, 2012, at 11:00 a.m. All rights and obligations of Hardin County Savings Bank and the Debtors are renewed until final hearing on the objectives. Without waiving its right to object to Hardin County Savings Bank's law, the Debtors agree that they will not use proprietary accounts receivable of Sandorow/02, LLC or the proceeds thereof until further order of the Court.*

*SW*

