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Honorable August B. Landis
United States Bankruptcy Judge



Entered on Docket
5 July 02, 2014

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**UNITED STATES BANKRUPTCY COURT
DISTRICT OF NEVADA**

In re
TEM ENTERPRISES,

Debtor in Possession.

Case No.: 14-13955-abl
Chapter 11

**STIPULATION AND AGREED ORDER
AUTHORIZING DEBTOR TO USE CASH
COLLATERAL AND GRANTING
ADEQUATE PROTECTION PURSUANT
TO 11 U.S.C. §§ 361 AND 363**

**Hearing Date: June 30, 2014
Hearing Time: 9:30 a.m.**

**Hearing Place: Foley Federal Building, 300
Las Vegas Blvd. South, Las Vegas, Nevada
89101**

TEM ENTERPRISES d/b/a/ XTRA AIRWAYS (“Debtor” or “Debtor in Possession”),
and the Vx Entities (as defined below), including V31-A&E LLC (the “Lender”), the secured
creditor as to the Collateral (as defined below) and Triton Aviation California, Inc. (“Triton”)
hereby stipulate and agree as follows:

1 A. Background Information. On June 4, 2014 (the "Petition Date"), the Debtor filed its
2 Voluntary Petition under Chapter 11 of the Bankruptcy Code. Since that date, the Debtor has
3 remained in possession of its property and operated its affairs as a debtor-in-possession pursuant
4 to 11 U.S.C. §§ 1107 and 1108.

5 B. Cash Collateral Stipulation. This Stipulation and Agreed Order Authorizing Debtor To
6 Use Cash Collateral and Granting Adequate Protection Pursuant to 11 U.S.C. §§ 361 and 363
7 (this "Cash Collateral Order") seeks immediate authorization to use the Lender's cash collateral
8 as such term is defined in 11 U.S.C. § 363(a), in order to meet the Debtor's ordinary operating
9 expenses, including: the payment of aircraft lease rents, maintenance costs, payroll, and other
10 general administrative expenses. The Debtor's counsel served a copy of this Cash Collateral
11 Order, pursuant to Rule 4001(b)(2) of the Federal Rules of Bankruptcy Procedure, on (a) the
12 United States Trustee; (b) the 20 largest unsecured creditors of the Debtor; (c) parties in interest
13 who have filed a notice of appearance in this case; and (d) other secured parties. The Debtor and
14 the Lender, together with the Vx Entities, and Triton, reached agreement on the terms of this
15 Cash Collateral Order, as set forth below. The authorizations contained in this Cash Collateral
16 Order were negotiated at arm's length, for reasonably equivalent value, and are fair and
17 reasonable under the circumstances and enforceable in accordance with their terms. The
18 Debtor's operation of its business requires that it have the use of the Lender's Cash Collateral
19 under the terms hereof to preserve the assets of its estate, and to enable its operations to continue.
20 The parties hereto have acted in good faith in connection with this Cash Collateral Order.

21 C. Stipulations of Debtor. The Debtor stipulates and agrees to the summary of lease and
22 financing transactions between the Debtor and Vx Capital Partners, LLC, which is (1) an
23 authorized representative for the Owner Participant in the 25109 Lease, (2) an affiliate of the
24 25729 Lessor, (3) an affiliate of the 726322 Owner, (4) an affiliate of the 857562 Owner, and (5)
25 an affiliate of Lender (collectively, items 1 through 5 shall be referred to as the "Vx Entities"), as
26 more fully set forth below:
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I. AIRCRAFT 25109

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1. On January 13, 2012, Wells Fargo Bank Northwest, National Association, not in its individual capacity, but solely as owner trustee (the "Owner Trustee"),¹ as lessor, and the Debtor, entered into that certain Aircraft Lease Agreement (MSN 25109) (as amended, modified, or supplemented, and together with all underlying documents, collectively, the "25109 Lease"), with respect to one (1) Boeing Model 737-400 aircraft bearing Manufacturer's Serial Number 25109 and U.S. Registration Number N416BC (the "Airframe"), together with two CFM International, Inc. model CFM56-3C1 engines with Engine Serial Numbers 857892 and 856773 (the "Engines" and along with the Parts,² the Airframe, and the Aircraft Documents (as defined in the Lease to be the documents, data and records, listed in the Certificate of Delivery Condition signed by Owner Trustee and Debtor at the time of Delivery, and all additions, renewals, revisions, and replacements from time to time made in accordance with the 25109 Lease, together with any logos on the Airframe), the "Aircraft").

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2. Pursuant to Section 3.1 and Exhibit C of the 25109 Lease, Debtor is required to pay to Owner Trustee, Basic Rent for each Basic Rent Period during the Lease Term, in each case, on or before each Basic Rent Payment Date. Pursuant to Section 13.1 of the 25109 Lease, during the Lease Term, Debtor is required to pay to Owner Trustee, monthly Overhaul Payments, on or before the 15th day of each month for the month previously ended.

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3. Over a period of approximately [14] months, and notwithstanding Owner Trustee's demand for payment thereof, Debtor failed to timely pay to Owner Trustee, Basic Rent and Overhaul Payments, plus interest due thereon at the Past Due Rate in accordance with the terms of the 25109 Lease, which Basic Rent, Overhaul Payments, and accrued, unpaid interest were in an aggregate amount of \$1,769,659.83 as of May 29, 2014, which constituted various Events of Default under the 25109 Lease.

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4. Owner Trustee provided Debtor written notices of Events of Default in June, 2013, and May, 2014, thereby evidencing Debtor's continued failures to timely meet its obligations under the 25109 Lease. Owner Participant, as authorized representative of Owner Trustee, also provided Debtor a written notice of Events of Default in May, 2014.

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5. Based on the foregoing Events of Default, (a) Owner Participant sent to Debtor on May 28, 2014, a Notice of Events of Default Under the Lease, Termination of Lease of Aircraft, Demand For Immediate Payment and Return of Aircraft, and Reservation of Rights and Remedies (the "May 28, 2014 Termination Notice"), and (b) Owner Trustee sent to Debtor on May 29, 2014, a certain Notice of Events of Default and Termination of Lease of Aircraft (With Continuing Obligations of Debtor To Satisfy Remaining Obligations Under Lease) for Failure to Pay Basic Rent and Overhaul Payments; Demand for Redelivery and Payment of Outstanding Amounts (the "May 29, 2014 Termination Notice", and together with the May 28,

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¹ Owner Trustee is the Owner Trustee under that certain Trust Agreement (MSN 25109 Trust), dated as of November 21, 2011 (the "25109 Trust Agreement"), between Owner Trustee, as owner trustee, and V43X-737 LLC, as trustor (in such capacity, "Owner Participant"), relating to the Aircraft (as defined in the 25109 Lease) and establishing the MSN 25109 Trust (the "25109 Trust").

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² Capitalized terms used in paragraphs 1 through 8 but not otherwise defined therein shall have the meanings set forth in the 25109 Lease.

1 2014 Termination Notice, the "Termination Notices"). Pursuant to the Termination Notices,
 2 Owner Trustee terminated the Debtor's right to lease the Aircraft under the 25109 Lease,
 3 effective as of May 28, 2014.

4 6. Owner Participant, as authorized representative of Owner Trustee, and
 5 Owner Trustee, respectively, have made demand upon the Debtor to not only make the
 6 outstanding payments due and payable under the 25109 Lease, but have made demand for (a)
 7 redelivery of any and all Parts, Records, and all other documents relating to the Aircraft in
 8 Debtor's possession or control, in each case, to Owner Trustee, in the condition required by
 9 Section 21.3 of the Lease and Exhibit F to the 25109 Lease, and (b) the execution and delivery to
 10 Owner Trustee, of a Return Acceptance Certificate in connection therewith.

11 7. As of the Petition Date, the total amount owed by Debtor to Owner
 12 Trustee under the 25109 Lease is \$1,560,609.03 (after application of security deposits held by
 13 Owner Trustee), plus any further Basic Rent and Overhaul Payments due for the remaining term
 14 of the 25109 Lease and attorneys' fees, costs of collection and other administrative and recovery
 15 expenses for which Debtor remains obligated as an unsecured claim, even after Owner Trustee
 16 has terminated the lease of the Aircraft.

17 8. As adequate protection of Owner Trustee's interest in the Aircraft, the
 18 Debtor shall comply with its "return and surrender" obligations under Section 1110 of the
 19 Bankruptcy Code and shall fully cooperate with the requirements and covenants of the Debtor
 20 under the 25109 Lease to effect (a) the complete turnover of all Parts, Records, and all other
 21 documents relating to the Aircraft in Debtor's possession or control, and (b) the execution and
 22 delivery of a Return Acceptance Certificate and FAA Lease Termination, in each case, to Owner
 23 Trustee.

24 II. AIRCRAFT 25729

25 1. On December 22, 2010, V37X-737 LLC, as lessor ("25729 Lessor"), and
 26 Debtor, entered into that certain Aircraft Lease Agreement (as amended, modified, or
 27 supplemented, and together with all underlying documents, collectively, the "25729 Lease"),
 28 with respect to one (1) Boeing Model 737-400 aircraft bearing Manufacturer's Serial Number
 25729 and U.S. Registration Number N42XA (the "Airframe"), together with two CFM
 International, Inc. model CFM56-3C1 engines with Engine Serial Numbers 725625 and 727216
 (the "Engines" and along with the Parts,³ the Airframe, and the Aircraft Documents (as defined
 in the Lease to be the documents, data and records, listed in the Certificate of Delivery Condition
 signed by 25729 Lessor and Debtor at the time of Delivery, and all additions, renewals,
 revisions, and replacements from time to time made in accordance with the 25729 Lease,
 together with any logos on the Airframe), the "Aircraft").

2. Pursuant to Section 3.1 and Exhibit C of the 25729 Lease, Debtor is
 required to pay to 25729 Lessor, Basic Rent for each Basic Rent Period during the Lease Term,
 in each case, on or before each Basic Rent Payment Date. Pursuant to Section 13.1 of the 25729
 Lease, during the Lease Term, Debtor is required to pay to 25729 Lessor, monthly Overhaul
 Payments, on or before the 15th day of each month for the month previously ended.

³ Capitalized terms used in paragraphs 1 through 8 but not otherwise defined therein shall have
 the meanings set forth in the 25729 Lease.

1 3. Over a period of approximately [14] months, and notwithstanding 25729
2 Lessor's demand for payment thereof, Debtor failed to timely pay to 25729 Lessor, Basic Rent
3 and Overhaul Payments, plus interest due thereon at the Past Due Rate in accordance with the
4 terms of the 25729 Lease, which Basic Rent, Overhaul Payments, and accrued, unpaid interest
were in an aggregate amount of \$1,120,272.81 as of May 29, 2014, which constituted various
Events of Default under the 25729 Lease.

5 4. 25729 Lessor provided Debtor written notices of Events of Default in
6 June, 2013, and May, 2014, thereby evidencing Debtor's continued failures to timely meet its
obligations under the 25729 Lease.

7 5. Based on the foregoing Events of Default, 25729 Lessor sent to Debtor (a)
8 on May 28, 2014, a Notice of Events of Default Under the Lease, Termination of Lease of
Aircraft, Demand For Immediate Payment and Return of Aircraft, and Reservation of Rights and
9 Remedies (the "May 28, 2014 Termination Notice"), and (b) on May 29, 2014, a certain Notice
of Events of Default and Termination of Lease of Aircraft (With Continuing Obligations of
10 Debtor To Satisfy Remaining Obligations Under Lease) for Failure to Pay Basic Rent and
Overhaul Payments; Demand for Redelivery and Payment of Outstanding Amounts (the "May
11 29, 2014 Termination Notice", and together with the May 28, 2014 Termination Notice, the
12 "Termination Notices"). Pursuant to the Termination Notices, 25729 Lessor terminated the
Debtor's right to lease the Aircraft under the 25729 Lease, effective as of May 28, 2014.

13 6. 25729 Lessor has made demand upon the Debtor to not only make the
14 outstanding payments due and payable under the 25729 Lease, but has made demand for (a)
redelivery of the Aircraft (including, without limitation, the Parts, Records, and all other
15 documents relating to the Aircraft in Debtor's possession or control), in the condition required by
Section 21.3 of the Lease and Exhibit F to the 25729 Lease, and (B) execution and delivery, a
16 Return Acceptance Certificate in connection therewith, in each case, to 25729 Lessor.

17 7. As of the Petition Date, the total amount owed by Debtor to 25729 Lessor
18 under the 25729 Lease is \$899,157.05 (after application of security deposits held by 25729
Lessor), plus any further Basic Rent and Overhaul Payments due for the remaining term of the
19 25729 Lease and attorneys' fees, costs of collection and other administrative and recovery
expenses for which Debtor remains obligated as an unsecured claim, even after 25729 Lessor has
20 terminated the leasing of the Aircraft.

21 8. As adequate protection of 25729 Lessor's interest in the Aircraft, the
22 Debtor shall comply with its "return and surrender" obligations under Section 1110 of the
Bankruptcy Code and shall fully cooperate with the requirements and covenants of the Debtor
23 under the 25729 Lease to effect (a) the complete turnover of the Aircraft (including, without
limitation, the Parts, Records, and all other documents relating to the Aircraft in Debtor's
24 possession or control), and (b) the execution and delivery of a Return Acceptance Certificate and
25 FAA Lease Termination, in each case, to 25729 Lessor.

26 9. 25729 Lessor has agreed to provide credit to the Debtor, in the
approximate amount of \$40,000, to fund the fuel costs necessary for the Debtor to comply with
27 its post-petition return and surrender requirements under Section 1110 of the Bankruptcy Code.
Accordingly, by this Cash Collateral Order, the 25729 Lessor shall be deemed to have a super-
28 priority administrative claim in the amount of the advance necessary to pay for such fuel, in the

1 approximate amount of \$40,000, together with interest accruing thereon at the rate of 15% per
 2 annum, until paid. The Debtor shall satisfy such obligation owing to 25729 Lessor, with two (2)
 3 equal installments on July 31, 2014 and August 30, 2014, which shall be reflected in the
 4 Approved Budget (as defined below) and wire transferred to the attention of Vx Capital Partners,
 5 LLC, in accordance with the existing wiring instructions. As soon as reasonably practical, 25729
 6 Lessor shall provide to the Debtor's counsel, appropriate documentation evidencing the
 7 calculation of the fuel claim referenced above.

8 III. ENGINE 726322

9 1. Prior to the Petition Date, V48R-737X5 LLC ("726322 Owner"), and the
 10 Debtor had been in discussions for the lease by 726322 Owner to Debtor of one (1) CFM
 11 International, Inc. model CFM56-3C1 Aircraft Engine with Engine Serial Number 726322 (the
 12 "726322 Used Engine" and along with the associated parts and associated aircraft documents
 13 with respect thereto, the "726322 Used Engine").

14 2. In connection with such discussions, and in anticipation of reaching a
 15 definitive written agreement with respect to the lease thereof, 726322 Owner permitted Debtor to
 16 use the 726322 Used Engine in one or more of Debtor's airplanes for a period of at least 18 days.

17 3. Despite their efforts to reach an agreement with respect thereto, no written
 18 lease or other agreement with respect to the 726322 Used Engine was entered into by 726322
 19 Owner and Debtor. Based on that fact, and the fact that Debtor had been using the 726322 Used
 20 Engine for at least 18 days without remitting any payment or other consideration to 726322
 21 Owner for the use thereof, 726322 Owner sent to Debtor (a) on May 28, 2014, an e-mail (the
 22 "May 28, 2014 Redelivery Notice"), and (b) on May 29, 2014, a certain Notice of Demand for
 23 Redelivery and Payment of Outstanding Amounts (the "May 29, 2014 Redelivery Notice", and
 24 together with the May 28, 2014 Redelivery Notice, the "Redelivery Notices". Pursuant to the
 25 Redelivery Notices, 726322 Owner terminated the Debtor's right to use the 726322 Used Engine,
 26 effective as of May 28, 2014.

27 4. 726322 Owner has made demand upon the Debtor to not only make the
 28 appropriate usage payments due 726322 Owner for the use of the 726322 Used Engine, but has
 made demand upon Debtor to (a) redeliver the 726322 Used Engine (including, without
 limitation, all associated parts, records, and all other documents relating to the 726322 Used
 Engine in Debtor's possession or control) to 726322 Owner, in the condition as existed prior to
 the use of the 726322 Used Engine by the Debtor, and (b) execute and deliver to 726322 Owner,
 a Return Acceptance Certificate in connection therewith.

5. 726322 Owner and the Debtor have agreed that based on the \$13,000 per
 month usage rate for the 726322 Used Engine that was previously under discussion by 726322
 Owner and Debtor, as of the Petition Date, the aggregate use charges⁴ owed by Debtor to 726322
 Owner with respect to the 726322 Used Engine are \$7,800.00, plus the Additional Use Charges
 with respect to recovering or restoring the 726322 Used Engine.

⁴ 726322 Owner is also asserting a \$201.91/flight hour and a \$117.89/flight cycle usage charges,
 as further modified by a schedule of surcharges for excessive use measured over and above a
 straight hourly or cycle use (the "Additional Use Charges") for the 726322 Used Engine and the
 857562 Used Engine (as defined below), which can only be determined after the Debtor provides
 such relevant information to 726322 Owner or the 857562 Owner, as applicable.

1 6. After the Petition Date, 726322 Owner shall be entitled to a per diem of
2 \$433.33 for each day that Debtor continues to utilize the 726322 Used Engine, plus the
3 Additional Use Charges based on the number of flight hours and flight cycles in which the
4 726322 Used Engine is used. Debtor's right to continue to use the 726322 Used Engine under
5 the terms and conditions set forth above shall continue until the earlier of (a) the date upon which
6 726322 Owner makes demand for return therefor, upon 726322 Owner, and (b) the effective date
7 of any post-petition written lease agreement entered into by 726322 Owner and Debtor with
8 respect to the 726322 Used Engine, as approved by the Court. Upon any written demand by
9 726322 Owner to the Debtor for the immediate return of the 726322 Used Engine (at the election
10 of the 726322 Owner, in its sole discretion, including, without limitation, for non-payment), the
11 automatic stay shall be deemed lifted and terminated with respect to the 726322 Used Engine,
12 without further action or subsequent order of this Court, and the Debtor shall deliver and return
13 the 726322 Used Engine (together with any other parts, accessories, and documents with respect
14 thereto in Debtor's possession or control) to the 726322 Owner, and execute and deliver to
15 726322 Owner, a Return Acceptance Certificate in connection therewith in each case, within two
16 (2) business days after delivery of such notice. The Approved Budget shall include a line item
17 for the payment to the 726322 Owner of the monthly use charge of \$13,433.23, together with an
18 Additional Use Charge of not less than \$40,000 (subject to adjustment upon execution of further
19 documentation), each charge prorated from and after the Petition Date, which shall be paid by
20 the Debtor to the 726322 Owner, to the attention of Vx Capital Partners, LLC in accordance with
21 the existing wiring instructions. Accordingly, the Approved Budget shall provide for the
22 payment to the 726322 Owner of (i) the foregoing use charge for the month of June, 2014, on or
23 before the date that is three (3) days after the entry of this Cash Collateral Order, and; (ii) the
24 foregoing Additional Use Charge for the month of June, 2014, on or before July 15, 2014, and
25 thereafter, each subsequent monthly payment to the 726322 Owner of the foregoing use charge
26 and the Additional Use Charge shall be paid as follows: (x) one-half of such use charge and the
27 Additional Use Charge shall be paid to 726322 Owner on the third (3rd) day of each calendar
28 month, and (y) one-half of such use charge and the Additional Use Charge shall be paid to
726322 Owner on the eighteenth (18th) day of each calendar month (except with respect to the
Additional Use Charge for the month of June, 2014, due and payable to 726322 Owner on or
before July 15, 2014).

IV. ENGINE 857562

1 1. Prior to the Petition Date, V47A-737X10 LLC ("857562 Owner"), and the
2 Debtor had been in discussions for the lease by 857562 Owner to Debtor of one (1) CFM
3 International, Inc. model CFM56-3C1 Aircraft Engine with Engine Serial Number 857562 (the
4 "857562 Used Engine" and along with the associated parts and associated aircraft documents
5 with respect thereto, the "857562 Used Engine").

6 2. In connection with such discussions, and in anticipation of reaching a
7 definitive written agreement with respect to the lease thereof, 857562 Owner permitted Debtor to
8 use the 857562 Used Engine in one or more of Debtor's airplanes for a period of at least 18 days.

9 3. Despite their efforts to reach an agreement with respect thereto, no written
10 lease or other agreement with respect to the 857562 Used Engine was entered into by 857562
11 Owner and Debtor. Based on that fact, and the fact that Debtor had been using the 857562 Used
12 Engine for at least 18 days without remitting any payment or other consideration to 857562

1 Owner for the use thereof, 857562 Owner sent to Debtor (a) on May 28, 2014, an e-mail (the
2 "May 28, 2014 Redelivery Notice"), and (b) on May 29, 2014, a certain Notice of Demand for
3 Redelivery and Payment of Outstanding Amounts (the "May 29, 2014 Redelivery Notice", and
4 together with the May 28, 2014 Redelivery Notice, the "Redelivery Notices". Pursuant to the
Redelivery Notices, 857562 Owner terminated the Debtor's right to use the 857562 Used Engine,
effective as of May 28, 2014.

5 4. 857562 Owner has made demand upon the Debtor to not only make the
6 appropriate usage payments due 857562 Owner for the use of the 857562 Used Engine, but has
7 made demand upon Debtor to (a) redeliver the 857562 Used Engine (including, without
8 limitation, all associated parts, records, and all other documents relating to the 857562 Used
9 Engine in Debtor's possession or control) to 857562 Owner, in the condition as existed prior to
the use of the 857562 Used Engine by the Debtor, and (b) execute and deliver to 857562 Owner,
a Return Acceptance Certificate in connection therewith.

10 5. 857562 Owner and the Debtor have agreed that based on the \$13,000 per
11 month rental rate set forth in the draft lease agreement for the 857562 Used Engine that was
12 previously under discussion by 857562 Owner and Debtor, as of the Petition Date, the Additional
Use Charges owed by Debtor to 857562 Owner with respect to the 857562 Used Engine are
\$7,800.00, plus the Additional Use Charges.

13 6. After the Petition Date, 857562 Owner shall be entitled to a per diem of
14 \$433.33 for each day that Debtor continues to utilize the 857562 Used Engine, plus the
15 Additional Use Charges based on the number of flight hours and flight cycles in which the
16 857562 Used Engine is used. Debtor's right to continue to use the 857562 Used Engine under
17 the terms and conditions set forth above shall continue until the earlier of (a) the date upon which
18 857562 Owner makes demand for return therefor, upon 857562 Owner, and (b) the effective date
19 of any post-petition written lease agreement entered into by 857562 Owner and Debtor with
20 respect to the 857562 Used Engine, as approved by the Court. Upon any written demand by
21 857562 Owner to the Debtor for the immediate return of the 857562 Used Engine (at the election
22 of the 857562 Owner, in its sole discretion, including, without limitation, for non-payment), the
23 automatic stay shall be deemed lifted and terminated with respect to the 857562 Used Engine,
24 without further action or subsequent order of this Court, and the Debtor shall deliver and return
25 the 857562 Used Engine (together with any other parts, accessories, and documents with respect
26 thereto in Debtor's possession or control) to the 857562 Owner, and execute and deliver to
27 857562 Owner, a Return Acceptance Certificate in connection therewith, in each case, within
28 two (2) business days after delivery of such notice. The Approved Budget shall include a line
item for the payment to the 857562 Owner of the monthly use charge of \$13,433.23 together
with an Additional Use Charge of not less than \$40,000 (subject to adjustment upon execution of
further documentation), each charge prorated from and after the Petition Date, which shall be
paid by the Debtor to the 857562 Owner, to the attention of Vx Capital Partners, LLC in
accordance with the existing wiring instructions. Accordingly, the Approved Budget shall
provide for the payment to the 857562 Owner of (i) the foregoing use charge for the month of
June, 2014, on or before the date that is three (3) days after the entry of this Cash Collateral
Order, and (ii) the foregoing Additional Use Charge for the month of June, 2014, on or before
July 31, 2014, and thereafter, each subsequent monthly payment to the 857562 Owner of the
foregoing use charge and the Additional Use Charge shall be paid as follows: (x) one-half of
such use charge and the Additional Use Charge shall be paid to 857562 Owner on the third (3rd)

1 day of each calendar month, and (y) one-half of such use charge and the Additional Use Charge
2 shall be paid to 857562 Owner on the eighteenth (18th) day of each calendar month (except with
3 respect to the Additional Use Charge for the month of June, 2014, due and payable to 857562
4 Owner on or before July 31, 2014).

5 **V. ENGINE 726132**

6 1. On August 10, 2011, the Debtor: (a) executed and delivered to Lender,
7 that certain Secured Promissory Note (the "Note"), in the original principal amount of
8 \$602,619.00, and (b) entered into that certain Engine Mortgage and Security Agreement (ESN
9 726312), between Debtor and Lender (as amended by that certain Security Agreement (ESN
10 726312) Supplement No. 1, dated August 10, 2011, the "Security Agreement", and together with
11 the 25109 Lease, the 25729 Lease, the oral arrangements by which the 726322 Used Engine and
12 the 857562 Used Engine were used, and the Note, the "Loan and Lease Documents").

13 2. Pursuant to the Note, Debtor was required to make, among other
14 payments, principal and interest payments in such amounts, and on such dates, as more fully set
15 forth on the Schedule to the Note.

16 3. Pursuant to the terms and conditions of the Security Agreement, Debtor
17 granted to Lender a first-priority security interest in, and lien on, all assets of the Debtor
18 (collectively, the "Collateral"), in order to secure the Secured Obligations⁵, including, without
19 limitation, the Engine, any and all Parts which are from time to time included within the
20 definition of "Engine" and all additions, improvements, accessions and accumulations to the
21 Engine and any and all Parts and all substitutions and replacements of any and all Parts, all
22 Engine Documents, and all renewals, substitutions, replacements, additions, improvements,
23 accessories, accessions and accumulations with respect to any of the foregoing to the extent
24 permitted thereunder, all Warranty Rights, insurance proceeds, service contracts, product
25 agreements, repair, maintenance, and overhaul agreements in respect of the Engine or any Part,
26 and all accounts, goods, inventory, equipment, general intangibles, documents, promissory notes
27 and other instruments, chattel paper (both electronic and tangible), investment property, deposit
28 accounts, commercial tort claims, letters of credit, letter of credit rights and contract rights of the
Debtor, and all proceeds of the foregoing.

1 Lender properly perfected its security interest in, and lien on, the
2 Collateral, by filing (a) a UCC-1 Financing Statement naming Lender, as secured party, and
3 Debtor, as debtor, with the Nevada Secretary of State on August 11, 2011, as filing number
4 2011021300-6, (b) a registration with The International Registry for International Interests In
5 Mobile Equipment (Aircraft Equipment) on August 10, 2011, as registration number 763968,
6 and (c) the Security Agreement with the Federal Aviation Administration, on August 31, 2011,
7 as document number SG006125.

8 Debtor has breached the terms of the Note and Security Agreement by
9 reason of the Debtor's failure to pay to the Lender the full amount of the indebtedness due and
10 owing thereunder, on or before February 10, 2012, the maturity date of the Note. The full

11 ⁵ Capitalized terms used in paragraphs 1 through 9 but not otherwise defined therein shall have
12 the meanings set forth in the Security Agreement.

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1 amount of the indebtedness owing under the Note in accordance with the terms of the Note, was
2 in an aggregate amount of approximately \$163,148.36 as of May 29, 2014.

3 6. Lender provided Debtor written notices of Events of Default in June,
4 2013, and May, 2014, thereby evidencing Debtor's continued failures to timely meet its
5 obligations under the Note.

6 7. Based on the foregoing Event of Default, Lender sent to Debtor on May
7 29, 2014, a certain Notice of (i) Event of Default; (ii) Demand For Immediate Payment of All
8 Indebtedness; (iii) Demand For Immediate Turnover of Engine, Parts, and Engine Documents;
9 (iv) Objection to Use of Cash Collateral; and (v) Notice of Reservation of Rights and Remedies
10 (the "May 29, 2014 Demand Notice").

11 8. Lender has made demand upon Debtor to not only make the outstanding
12 payment due and payable to Lender under the Note, but has made demand upon Debtor to (a)
13 deliver to Lender the possession and control of the Engine, Parts, and Engine Documents; and
14 (b) immediately take all steps necessary to enable Lender to take possession or control of the
15 Engine, Parts, and Engine Documents. As adequate protection of the Lender's interests in the
16 Engine, Parts, and Engine Documents, and given the fact that the Debtor is not using such
17 equipment and it is unnecessary in its operations, the Debtor shall forthwith return and deliver
18 possession of the Engine, Parts, and Engine Documents to the Lender, and cooperate fully in
19 executing and delivering to Lender all documents in connection with same. Given that the
20 Approved Budget attached hereto presently does not show sufficient cash flow for the Debtor to
21 make, from and after the Petition Date, adequate protection payments to Lender in the amount of
22 \$5,000 per week, and of not less than \$20,000 per month, the Debtor shall make such payments
23 to Lender in the first month that the Debtor has sufficient cash flow to make such payments.
24 Specifically, the Approved Budget shall provide that, beginning in August, 2014, Debtor shall
25 make adequate protection payments of \$5,000 per week, and of not less than \$20,000 per month,
26 to Lender, for the period beginning on the Petition Date, through the date the Pre-Petition Vx
27 Loan Debt (as defined below) is paid in full; provided, that for purposes of clarity, the first of
28 such payments made by Debtor to Lender shall be made on August 3, 2014. For the months of
June, 2014 and July, 2014, Debtor shall make adequate protection payments on the Vx Loan
Debt from its ending cash balance in excess of \$50,000. For the avoidance of doubt, and as an
example, if the Debtor has available cash of \$60,000 at the end of August 2014, it shall pay
\$10,000 toward the June 2014 and July 2014 \$5,000 per week adequate protection arrearages.

9 9. The total amount owed by Debtor to Lender under the Note is \$163,604.29
10 as of the Petition Date, together with accrued but unpaid interest on and after May 29, 2014, and
11 attorneys' fees, costs of collection and other administrative and recovery expenses for which
12 Debtor remains obligated the ("Pre-Petition Vx Loan Debt", and together with the Pre-Petition
13 Vx Lease Obligations, the "Pre-Petition Vx Obligations").

14 D. Need for Financing. An immediate need exists for the Debtor to obtain financing
15 and use the cash proceeds of the Collateral (as defined below) (the "Cash Collateral") to continue
16 the operation of its business as Debtor-in-Possession under Chapter 11 of the Bankruptcy Code
17 and to minimize the disruption of the Debtor's business.

1 E. Approved Budget. Subject to the terms and conditions herein and pursuant to
2 Bankruptcy Rule 4001(b)(2) and (c)(2), the Debtor requests that the Court authorize the Debtor
3 to use Cash Collateral as hereinafter set forth (as at any time amended with the written consent of
4 the Lender, the "Approved Budget"). See Exhibit 1. The Approved Budget shall be the guide
5 governing how much Cash Collateral the Debtor shall be allowed to use and the timing of such
6 use. The Debtor has submitted to the Lender, and the Lender has approved, a cash forecast and
7 operating budget, subject to Paragraph 10 of this Cash Collateral Order covering the period (the
8 "Budget Period") from June 4, 2014, through July 31, 2014, setting forth projected cash receipts
9 and disbursements for the respective periods indicated thereon. Notwithstanding the term of the
10 Approved Budget attached as Exhibit "1" hereto, the Lender only consents to the disbursements
11 set forth therein (subject to Paragraph 12 of this Cash Collateral Order) and actually incurred
12 during the period from June 4, 2014, through July 31, 2014, unless otherwise extended pursuant
13 to the terms of Paragraph 12 below. The Debtor shall provide to the Lender, on a weekly basis
14 and no later than two (2) business days following the end of each Weekly Period (as defined
15 below), a schedule in substantially the same form as the Approved Budget, reflecting actual cash
16 receipts and disbursements and projected sales and actual sales for the prior Weekly Period. The
17 Lender's consent to use of its Cash Collateral and its right to exercise its rights and remedies
18 shall both be subject to Paragraph 10 below. As used herein, "Weekly Period" shall mean (i)
19 initially, the period from June 4, 2014, through June 8, 2014, and (ii) thereafter, each succeeding
20 one-week period beginning on a Monday and ending on a Sunday. Three (3) business days prior
21 to the expiration of the then Approved Budget, the Debtor shall submit to the Lender and its
22 counsel a proposed monthly budget for the following thirty (30) day period, and the Lender shall
23 have two (2) business days thereafter to approve or reject such proposed monthly budget in
24 writing. In the absence of such approval, the Debtor shall file a Cash Collateral Stipulation with
25 the Court to seek continued use of Cash Collateral from and after the expiration of the then
26 Approved Budget. Lender consents to the Debtor's (together with its professionals, and any
27 other professionals, retained by the estate) use of Cash Collateral, consistent with the amounts set
28 forth in the Approved Budget, provided, however, that the Debtor (nor its professionals, nor any

1 other professionals, retained by the estate) shall not be authorized to use Cash Collateral to
2 oppose any of the Vx Entities' actions in these proceedings, object to claims of, or relief sought
3 by, the Vx Entities, or otherwise seek to restructure the indebtedness or other obligations owed to
4 the Vx Entities by the Debtor on a non-consensual basis, i.e. through cram-down; provided
5 further, the Vx Entities reserve the right to object to the reasonableness of such fees and
6 expenses.

7 F. Adequate Protection Payments. As set forth in the Approved Budget, Debtor will
8 deliver all adequate protection payments to the Lender, as delineated on the Approved Budget,
9 wire transferred to Vx Capital Partners, LLC, using the existing wiring instructions, on or before
10 the close of business on 15th day of each month throughout the term of this Cash Collateral
11 Order, payment in an amount consistent with the terms of the Note. Debtor will deliver all
12 payments payable to Triton under the Approved Budget by wire transfer to Triton's Bank
13 Account as defined in Schedule I of the Aircraft Lease Agreement dated as of December 15,
14 2005, between Debtor as Lessee and Triton as Lessor (as amended the "Triton Lease"), on or
15 before the close of business on the 10th day of the calendar month for Aircraft maintenance
16 reserves and on the 4th day of August 2014 for Triton's Aircraft lease payment pursuant to the
17 Approved Budget.

18 G. 11 U.S.C. §§ 361 and 363(e) Replacement Liens. As adequate protection
19 pursuant to 11 U.S.C. §§ 361 and 363(e) in connection with any possible diminution in the value
20 of the Collateral, including diminution from the use of the Lender's Cash Collateral, both those
21 amounts set forth in the Approved Budget and as authorized by the Lender pursuant to its
22 consent prior to the entry of this Cash Collateral Order, the Lender shall have and is hereby
23 granted, effective on and after the date of this Cash Collateral Order, valid and perfected
24 continuing and replacement security interests in and liens upon all present or subsequently
25 arising or acquired properties and assets of the Debtor and its bankruptcy estate, whether real or
26 personal, and whether acquired prior to or after the Petition Date (collectively, the "Additional
27 Collateral"); provided, however, the Additional Collateral shall not include causes of action
28 under Chapter 5 of the Bankruptcy Code. Notwithstanding anything to the contrary set forth

1 above, the replacement security interests in and liens of the Lender upon the Additional
2 Collateral shall not have priority over liens and security interests on the Debtor's assets existing
3 as of the Petition Date (the "Existing Liens") or the fees owed to the U.S. Trustee's Office, so
4 long as such liens are valid, perfected, and non-avoidable contractual liens in accordance with
5 applicable law.

6 H. Perfection of Liens and Security Interests. This Cash Collateral Order shall be
7 sufficient and conclusive evidence of the priority, perfection and validity of all of the adequate
8 protection replacement security interests in and liens upon the property of the estate of the
9 Debtor granted to the Lender as set forth herein, and the adequate protection replacement liens
10 and security interests granted and created herein shall, by virtue of this Cash Collateral Order,
11 constitute valid and perfected security interests without the necessity of creating, filing,
12 recording, or serving any financing statements, continuation statements, or other documents that
13 might otherwise be required under federal or state law in any jurisdiction or the taking of any
14 other action to validate or perfect the security interests and liens granted to the Lender in this
15 Cash Collateral Order and the Security Agreement. If the Lender shall, in its discretion, elect for
16 any reason to file any such financing statements, continuation statements, or other documents
17 with respect to such security interests and liens, the Debtor is authorized and directed to execute,
18 or cause to be executed, all such financing statements, continuation statements, or other
19 documents upon the Lender's reasonable request, and the filing, recording, or service thereof (as
20 the case may be) of such financing statements, continuation statements, or similar documents
21 shall be deemed to have been made at the time of and on the Petition Date, and the signature(s)
22 of any person(s) designated by the Debtor, whether by letter to the Lender or by appearing on
23 any one or more of the agreements or other documents respecting the security interest and lien of
24 the Lender in and upon the Collateral, shall bind the Debtor and its estate.

25 I. Reservation of Rights. Nothing contained herein shall preclude Lender from
26 making appropriate application or request to the Court for such other relief as shall be necessary
27 to protect adequately its interests, including, without limitation, moving the Court to lift the
28 automatic stay for "cause" as against the Debtor for any reason deemed appropriate by the

1 Lender and objecting to the Debtor's violation of the terms of this Cash Collateral Order and any
2 use of the Cash Collateral after the Budget Period (as defined below). Nothing contained herein
3 shall modify the rights of Triton, or any other similarly situated party, under 11 U.S.C. § 1110.
4 This Stipulation and proposed Order does not in any way modify the time periods set forth in 11
5 U.S.C. § 1110 including, but not limited to, the 60-day period in 11 U.S.C. § 1110. Triton and
6 the Debtor reserve their rights with respect to any security deposit on account with Triton (the
7 “Security Deposit”).

8 J. Finding Cause. Good cause is shown for the entry of this Cash Collateral Order
9 and authorization for Debtor to use Cash Collateral pursuant to the terms herein and as
10 hereinafter provided. The Debtor’s need for use of cash collateral is immediate and critical.
11 Entry of this Cash Collateral Order will minimize disruption of Debtor’s operations, will
12 preserve the assets of Debtor’s estate and their value and is in the best interests of Debtor, its
13 creditors and its estate. The terms of Debtor’s use of Cash Collateral appear fair and reasonable,
14 reflect Debtor’s exercise of business judgment and are supported by reasonably equivalent value
15 and fair consideration.

16 K. Jurisdiction; Core Proceeding. This Court has jurisdiction to enter this Cash
17 Collateral Order pursuant to 28 U.S.C. §§ 157(b) and 1334. This is a core proceeding, as defined
18 in 28 U.S.C. § 157(b)(2).

19 L. Proof of Claim. The Vx Entities shall not be required to file a proof of claim in
20 this Case with respect to the Pre-Petition Vx Obligations and the Collateral securing the
21 repayment of the Pre-Petition Vx Loan Debt (including the adequate protection liens and priority
22 claims granted to the Vx Entities under this Cash Collateral Order), and the entry of this Cash
23 Collateral Order shall be sufficient and with respect to the filing of a proof of claim, shall be
24 binding upon the Debtor, the Debtor's estate, and any subsequently appointed trustee in this case,
25 with the same effect as if each of the Vx Entities filed a proof of claim in this case.

26 NOW, THEREFORE, IT IS HEREBY ORDERED, ADJUDGED AND DECREED, as follows:

27 1. The Stipulation is hereby GRANTED on a final basis and the Court hereby
28 authorizes and approves of the Debtor’s use of the Cash Collateral in a manner consistent with

1 the Approved Budget annexed hereto as Exhibit “1”, but subject to the Debtor satisfying all
2 conditions precedent and performing all obligations hereunder and in accordance with the terms
3 hereof and for purposes specified in the Approved Budget but subject to modification with
4 notification by the Debtor to Lender. Appropriate notice and opportunity for hearing have been
5 given for the Cash Collateral Stipulation in accordance with the provisions of §§ 361, 362 and
6 363 of the Bankruptcy Code.

7 2. Stipulation and Order. All terms, conditions and reservations contained in the
8 Stipulation and Order are hereby incorporated into this Cash Collateral Order and made a part
9 hereof.

10 3. Permitted Uses of Cash Collateral. Debtor shall be authorized to use Cash
11 Collateral in such amounts and only for such purposes as set forth in the Approved Budget,
12 subject to the occurrence of an Event of Default (as defined below), through the date which is
13 sixty (60) days from the date that this Cash Collateral Order is entered by the Bankruptcy Court
14 (the “Cash Collateral Period”), unless otherwise extended in writing. *See* Exhibit “1”. Debtor
15 shall make appropriate payments as set forth in the Approved Budget, for insurance,
16 maintenance, reserves, spare parts – including wheels and brakes, and all applicable fees and
17 costs for the benefit of Triton’s interest in its aircraft. Debtor agrees that at least \$105,000 of the
18 \$150,000 set forth in the Approved Budget for “Aircraft lease payments” is payable to Triton.
19 Debtor agrees that approximately \$90,000 of the \$130,000 set forth in the Approved Budget for
20 “Aircraft maintenance reserves” is also payable to Triton. The Security Deposit is not to be used
21 in the Approved Budget.

22 4. Adequate Protection of Pre-Petition Creditors. This Cash Collateral Order
23 constitutes adequate protection pursuant to Sections 361 and 363 of the Bankruptcy Code for
24 Debtor’s use, consumption, sale, collection or other disposition of any of the Collateral
25 (including the Cash Collateral).

26 5. Reservation of Rights. Nothing herein shall be deemed to be a waiver by the Vx
27 Entities or Triton of their right to request additional or further protection of their interests, to
28 move for relief from the automatic stay, to seek the appointment of a trustee or examiner or the

1 conversion or dismissal of this Chapter 11 case, or to request any other relief in this case. Lender
2 shall be deemed to have reserved all rights to assert entitlement to the protections and benefits of
3 Section 507(b) of the Bankruptcy Code in connection with any use, sale or other disposition of
4 any of the Collateral, to the extent that the protection afforded by this Cash Collateral Order to
5 Lender's interests in any Collateral proves to be inadequate.

6 6. Rights Upon Dismissal, Conversion or Consolidation. If this Chapter 11 case is
7 dismissed, converted or substantively consolidated with another case, then neither the entry of
8 this Cash Collateral Order nor the dismissal, conversion or substantive consolidation of this
9 Chapter 11 case shall affect the rights or remedies of the Vx Entities and Triton under this Cash
10 Collateral Order, and all of the respective rights and remedies of the Vx Entities and Triton shall
11 remain in full force and effect as if this Chapter 11 case had not been dismissed, converted, or
12 substantively consolidated. It shall constitute an Event of Default if the Debtor seeks, or if there
13 is entered, any order dismissing this Chapter 11 case.

14 7. Survival of Order. The provisions of this Cash Collateral Order, and any actions
15 taken pursuant hereto, shall survive the entry of and shall govern with respect to any conflict
16 with any order that may be entered confirming any plan of reorganization or converting this
17 Chapter 11 case to Chapter 7.

18 8. No Discharge Under Plan. The obligations of the Debtor pursuant to this Cash
19 Collateral Order shall not be discharged by the entry of any order confirming a plan of
20 reorganization in this Chapter 11 case and, pursuant to Section 1141(d)(4) of the Bankruptcy
21 Code, the Debtor has waived such discharge.

22 9. No Section 506(c) Surcharges. No operating costs or costs or expenses of
23 administration that have been or may be incurred in the Debtor's Chapter 11 Case, or in any
24 subsequent Chapter 7 case of the Debtor or other proceedings related hereto, shall be charged
25 against the Vx Entities (or its claims, the Collateral or the Additional Collateral) pursuant to
26 Section 506(c) of the Code or otherwise, without (i) the prior express written consent of the Vx
27 Entities (and no such consent should be inferred from any other action, inaction, or acquiescence
28

1 by the Vx Entities); or (ii) a subsequent Order of this Court upon appropriate motion, notice and
2 opportunity for hearing.

3 10. Events of Default. In the event of the occurrence of any of the following: (a) the
4 Debtor's violation of any of the terms of this Cash Collateral Order, including, without limitation,
5 the Debtor's exceeding the line items within the Approved Budget by ten percent (10%)
6 negatively (except with respect to any payments due any of the Vx Entities in accordance with
7 the Approved Budget, for which there shall be no permitted variance); (b) the termination of this
8 Cash Collateral Order; (c) conversion of this Case to a case under Chapter 7 of the Code; (d)
9 dismissal of this Case (any of the foregoing being referred to in this Cash Collateral Order,
10 individually, as an "Event of Default" and, collectively, as "Events of Default"), then (unless
11 such Event of Default is specifically waived in writing by the Vx Entities, which waiver shall not
12 be inferred from any other action, inaction, or acquiescence by the Vx Entities) upon or after the
13 occurrence of any of the foregoing, and at all times thereafter, after (i) giving three (3) business
14 days' notice thereof, served by overnight delivery service or telefax upon the Debtor, the Debtor's
15 counsel, counsel to the Creditors' Committee, any Trustee, if appointed, and the United States
16 Trustee, and (ii) the Debtor having failed to cure the Event of Default, to the extent that the same
17 is curable, within such three (3) day period, the Debtor shall not use any of the Cash Collateral
18 without further order of the Court, which shall not issue until after notice and a hearing; and,
19 furthermore, the Debtor (and the Debtor's employees, agents, officers, and representatives) shall
20 cooperate in all respects with preserving the Collateral and the Additional Collateral and all
21 documents and records reasonably necessary to facilitate the sale or liquidation of the same,
22 pending further order of this Court, including orders lifting the automatic stay as to Lender, and
23 shall forthwith provide to the Bank a proposed ninety (90) day cash collateral budget to
24 maximize the value from the Collateral. The Debtor stipulates that any subsequent adequate
25 protection given by this Court shall afford the Vx Entities no less adequate protection than that
26 contained in this Cash Collateral Order. Notwithstanding the foregoing, the protections afforded
27 to the Vx Entities in this Cash Collateral Order shall survive the term of the Cash Collateral use
28 provided herein.

1 11. Notwithstanding any such modification, vacation, or stay, any indebtedness,
2 obligations, or liabilities incurred by the Debtor to the Vx Entities before the effective date of
3 such modification, vacation, or stay shall be governed in all respects by the original provisions of
4 this Cash Collateral Order, and the Vx Entities shall be entitled to all the rights, remedies,
5 privileges, and benefits granted herein and pursuant to the Loan and Lease Documents with
6 respect to all such indebtedness, obligations, or liabilities. If the Debtor (or its successors or
7 assigns) obtains financing from another lender with liens to be granted on a parity with, or
8 superior to, those liens and security interests of the Lender, the Debtor shall pay to the Lender
9 the outstanding amount of the Pre-Petition Vx Loan Debt as a condition to any such financing,
10 unless otherwise expressly agreed to in writing by the Lender. To the extent the protections
11 afforded herein should prove inadequate (i.e., the adequate protection provided herein fails), the
12 Vx Entities shall be entitled under § 507(b) of the Code to a super-priority administrative
13 expense claim under 11 U.S.C. § 503(b) and § 507(a)(1) and (b).

14 12. Notwithstanding anything to the contrary stated herein, the Debtor's authority to
15 use the Lender's Cash Collateral shall continue from this date and automatically cease on the
16 earliest of the following dates (such period of Cash Collateral use shall be referred to as the
17 "Permitted Term"): (a) sixty (60) days from the date that this Cash Collateral Order is entered by
18 the Court; (b) the date on which notice of an Event of Default becomes effective, unless the Vx
19 Entities agree in writing to extend the term of this Cash Collateral Order; or (c) such expiration
20 date provided under any extension of this Cash Collateral Order, pursuant to further budgets,
21 subject to the written consent of the Vx Entities. To the extent that the Vx Entities extend the
22 term of this Cash Collateral Order, the Vx Entities shall be entitled to all the liens, priorities,
23 benefits and protections in this Cash Collateral Order for such extended period.

24 13. This Cash Collateral Order shall be effective upon entry onto the docket sheet of
25 this Case. There is cause to waive all appeal periods otherwise applicable, and this is Cash
26 Collateral Order shall be immediately effective and binding upon the parties.

27 14. Rights Cumulative. The rights, remedies, powers and privileges conferred upon
28 the Vx Entities, Triton and the Debtor pursuant to this Cash Collateral Order shall be in addition

1 to and cumulative with those contained in the various agreements between the parties, including
2 the Loan and Lease Documents.

3 15. Modification of Automatic Stay. The automatic stay provisions of Section 362 of
4 the Bankruptcy Code are hereby lifted and terminated as to the Vx Entities to the extent
5 necessary to implement the provisions of this Cash Collateral Order, including, without
6 limitation, immediately upon the entry by the Court of this Cash Collateral Order with respect to
7 the aircrafts (and all parts, engines, aircraft documents, and other records in Debtor's possession
8 or control) subject to each of the 25109 Lease and the 25729 Lease. As adequate protection of
9 the Vx Entities' interests, upon the entry of this Cash Collateral Order the Debtor shall pay to the
10 Vx Entities, as adequate protection payments and/or such other payments due the other Vx
11 Entities hereunder, (i) each month the amount set forth on the Approved Budget (including any
12 and all interest accruing on the Debtor's obligations owing to the Vx Entities); (ii) payment of all
13 pre-petition and post-petition accrued but unpaid attorneys' fees, costs and expenses, subject to
14 the right of the Debtor to object to the reasonableness of the Lender's attorneys' fees within
15 fifteen (15) days of submission by the Lender to the Debtor's counsel of such invoices. In the
16 event that the Debtor does not timely object to such fees and expenses, the Debtor shall have
17 waived any objection to such fees and expenses and such amounts shall be deemed allowed. In
18 the event that the Debtor objects to all or a portion of such fees and expenses of the Lender's
19 counsel and no agreement can be reached among the parties following good faith efforts to
20 resolve such disputes, this Court shall retain jurisdiction to determine the reasonableness of the
21 Lender's attorneys' fees. The Lender may apply the adequate protection payments in the
22 Approved Budget in reduction of its indebtedness in accordance with the Note and the Security
23 Agreement.

24 16. Service of Order. Promptly after the entry of this Cash Collateral Order, Debtor
25 shall mail, by first class mail, a copy of this Cash Collateral Order to all parties who have filed
26 requests for notices under Rule 2002 of the Bankruptcy Rules, and shall file a certificate of
27 service regarding same with the Clerk of the Court.
28

1 17. Binding Effect; Successors and Assigns. The provisions of this Cash Collateral
 2 Order shall be binding upon all parties in interest in this Chapter 11 case, including, without
 3 limitation, creditors, and Debtor and their respective successors and assigns (including any
 4 Chapter 11 trustee hereafter appointed or elected for the estate of the Debtor or any Chapter 7
 5 trustee appointed in a superseding Chapter 7 case), and shall inure to the benefit of Creditors,
 6 Debtor and their respective successors and assigns.

7 18. Withdrawal of Opposition. Triton hereby withdraws its *Opposition to Motion for*
 8 *Approval of Stipulation and Order Authorizing Debtor to Use Cash Collateral and Granting*
 9 *Adequate Protection Under 11 U.S.C. §§ 361 and 363* [Docket No. 82].

10 **IT IS SO STIPULATED:**

| | |
|---|---|
| <p>11 McDONALD CARANO WILSON LLP</p> <p>12 By: <u>/s/ Ryan J. Works</u></p> <p>13 Ryan J. Works, Esq. (NVBN 9224)</p> <p>14 Amanda M. Perach, Esq. (NVBN 12399)</p> <p>15 2300 West Sahara Avenue, Suite 1000</p> <p>16 Las Vegas, Nevada 89102</p> <p>17 Telephone Number: (702) 873-4100</p> <p>18 Facsimile Number: (702) 873-9966</p> <p>19 rworks@mcdonaldcarano.com</p> <p>20 aperach@mcdonaldcarano.com</p> <p>21 <i>Proposed Counsel for TEM Enterprises</i></p> | <p>11 K&L GATES LLP</p> <p>12 By: <u>/s/ David Weitman</u></p> <p>13 David Weitman, Esq.</p> <p>14 <i>[Admitted pro hac vice]</i></p> <p>15 1717 Main Street, Suite 2800</p> <p>16 Dallas, TX 75201</p> <p>17 United States of America</p> <p>18 P: +1.214.939.5500</p> <p>19 F: +1.214.939.5849</p> <p>20 david.weitman@klgates.com</p> <p>21 <i>Counsel for Vx Entities</i></p> |
| <p>22 BRYAN CAVE LLP</p> <p>23 By: <u>/s/Natalie Daghbandan</u></p> <p>24 H. Mark Mersel, Esq.</p> <p>25 Natalie B. Daghbandan, Esq.</p> <p>26 3161 Michelson Drive, Suite 1500</p> <p>27 Irvine, California 92612-4414</p> <p>28 Telephone Number: (949) 223-7000</p> <p>Facsimile Number: (949) 223-7100</p> <p>mark.mersel@bryancave.com</p> <p>natalie.daghbandan@bryancave.com</p> <p><i>Counsel for Triton Aviation California, Inc.</i></p> | <p>22 SNELL & WILMER</p> <p>23 By: <u>/s/ Bob Olson</u></p> <p>24 Bob L. Olson, Esq.</p> <p>25 Snell & Wilmer</p> <p>26 3883 Howard Hughes Pkwy #1100</p> <p>27 Las Vegas, NV 89169-5958</p> <p>28 Telephone: 702.784.5295</p> <p>Email: bolson@swlaw.com</p> <p><i>Counsel for Vx Entities</i></p> |

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IT IS SO ORDERED.

###

Submitted by:

MCDONALD CARANO WILSON LLP

By: /s/ Ryan J. Works
Ryan J. Works, Esq. (NV Bar No. 9224)
2300 West Sahara Avenue, Suite 1200
Las Vegas, NV 89102
Proposed Counsel for TEM Enterprises

McDONALD • CARANO • WILSON LLP
2300 WEST SAHARA AVENUE, SUITE 1000 • LAS VEGAS, NEVADA
PHONE (702)873-4100 • FAX (702) 873-9966

1 In accordance with LR 9021, counsel submitting this **STIPULATION AND AGREED**
2 **ORDER AUTHORIZING DEBTOR TO USE CASH COLLATERAL AND GRANTING**
3 **ADEQUATE PROTECTION PURSUANT TO 11 U.S.C. §§ 361 AND 363** certifies that the
4 order accurately reflects the court’s ruling and that (check one):

- 5 The Court has waived the requirement set forth in LR 9021(b)(1).
- 6 No party appeared at the hearing or filed an objection to the motion.
- 7 I have delivered a copy of this proposed order to all counsel who appeared at the
8 hearing, and any unrepresented parties who appeared at the hearing, and each has approved or
9 disapproved the order, or failed to respond, as indicated below [list each party and whether the
10 party has approved, disapproved, or failed to respond to the document].

11 David Weitman, Esq. APPROVED/DISAPPROVED/FAILED TO RESPOND
 12 Bob Olson, Esq. APPROVED/DISAPPROVED/FAILED TO RESPOND
 13 Mark Mersel, Esq. APPROVED/DISAPPROVED/FAILED TO RESPOND

14 I certify that this is a case under Chapter 7 or 13, that I have served a copy of this
15 order with the motion pursuant to LR 9014(g), and that no party has objected to the form or
16 content of the order.

17 Submitted by:

18 MCDONALD CARANO WILSON LLP

19 By: /s/ Ryan Works
 20 Ryan J. Works, Esq., #9224
 21 Amanda M. Perach, Esq., #12399
 22 2300 West Sahara Avenue, Suite 1200
 23 Las Vegas, Nevada 89102
 24 rworks@mcdonaldcarano.com
 25 aperach@mcdonaldcarano.com

26 *Proposed Counsel to the Debtor and Debtor in Possession*

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EXHIBIT 1

TEM Enterprises, Inc.

Cash Budget

For the Three Months Ending August 31, 2014

| | Jun-14 | Jul-14 | Aug-14 |
|--|------------------|------------------|------------------|
| Beginning cash balance | 376,588 | 9,902 | 74,035 |
| Cash from operating revenues | 426,320 | 1,160,000 | 1,170,000 |
| Expenditures | | | |
| Aircraft maintainence reserves (\$90,000 payable to Triton) | - | 130,000 | 130,000 |
| Aircraft lease payments (\$105,000 payable to Triton) | - | - | 150,000 |
| Engine Leases (Use Charges payable to VX Entities) | 22,533 | 26,866 | 26,866 |
| Engine Maintenance Reserves (Additional Use Charges payable to VX Entities) ¹ | | 150,000 | 80,000 |
| Contract Maintenance | 32,000 | 32,000 | 32,000 |
| Rents | 13,000 | 15,000 | 15,000 |
| Utilities/Phones | 6,000 | 6,000 | 6,000 |
| Fuel (VX Entities) | - | 20,000 | 20,000 |
| Parts | 5,000 | 20,000 | 20,000 |
| Wheels/Brakes | 15,000 | 20,000 | 20,000 |
| Crew Travel | 20,000 | 20,000 | 20,000 |
| Taxes & Fees | 2,500 | 5,000 | 5,000 |
| Attorney Fees | - | 20,000 | 20,000 |
| Payroll | 490,000 | 470,000 | 470,000 |
| Workers Comp | 63,232 | - | - |
| Aviation insurance | 45,000 | 90,000 | 100,000 |
| Employee health insurance | 23,000 | 23,000 | 23,000 |
| TSA 9/11 taxes | 14,201 | 13,000 | 12,765 |
| Federal excise taxes | 8,600 | 8,600 | 4,300 |
| Mexico overflight permits | - | 16,000 | 8,000 |
| Pre-Petition Employee Wages (to be approved by Court) | 7,691 | - | - |
| Pre-Petition Employee Reimbursable Expenses (to be approved by Court) | 3,704 | - | - |
| Pre-Petition Employee Benefits (to be approved by Court) | 3,423 | - | - |
| Pre-Petition Critical Vendors (to be approved by Court) | 18,121 | - | - |
| Adequate Protection Payments (VX Entities) | | | 20,000 |
| Trustee fees | - | 10,400 | - |
| Total expenditures | 793,006 | 1,095,866 | 1,182,931 |
| Net cash flow | (366,686) | 64,134 | (12,931) |
| Ending cash balance | 9,902 | 74,035 | 61,104 |

¹The amount due for July includes an \$80,000 "catch up" payment from June. One half of the June payment (\$40,000) shall be tendered on or before July 15, 2014, while the other half (\$40,000) will be due on or before July 31, 2014