UNITED STATES BANKRUPTCY COURT
DISTRICT OF MASSACHUSETTS
(EASTERN DIVISION)

In re:	
VANTAGE TRAVEL SERVICE, INC.	Chapter 11
Debtor.	Case No. 23-11060-JEB

SECOND INTERIM ORDER AUTHORIZING SECURED FINANCING PURSUANT TO 11 U.S.C. § 364(d) AND USE OF CASH COLLATERAL

Vantage Travel Service, Inc. (the "Debtor") having filed its *Motion for Interim and Final Orders Authorizing Secured Financing Pursuant to 11 U.S.C. § 364(d) and Use of Cash Collateral, and Related Relief* [Dkt. No. 7] (the "Financing Motion"); the Court on July 5, 2023, having conducted an interim hearing on the Financing Motion, and on July 6, 2023, having entered its *Interim Order on Debtor's Motion for Interim and Final Orders Authorizing Secured Financing Pursuant to 11 U.S.C. § 364(d) and Use of Cash Collateral, and Related Relief* [Dkt. No. 57] (the "Interim Order"), whereby the Court granted the interim relief sought by the Financing Motion for the reasons and to the extent set forth in the Interim Order; the Court on July 25, 2023, having conducted a further hearing on the Financing Motion on appropriate notice to parties in interest, and having considered at such hearing the Debtor's request for entry of an order granting the final relief sought by the Financing Motion, the various Court filings related to the Financing Motion, including objections, proposed orders, and the Debtor's actual to budget report, and the arguments and representations of counsel for the Debtor, the DIP Lenders (as defined in this Order), the United States Trustee, and other parties in interest; the Court having further continued the hearing on the Financing Motion to July 26, 2023, at 2:00 p.m. for the Court's consideration of a further

proposed order—interim or final—in respect of the Financing Motion that the Debtor would submit prior to such continued hearing; the Debtor having filed its Notice of Filing of Proposed Second Interim Financing Order; the Court having considered such proposed order and the entire record of proceedings related to the Financing Motion; and after due consideration and good and sufficient cause appearing therefor,

IT IS ORDERED THAT:

1. The Interim Order remains in full force and effect, as modified by the remaining provisions of this Order. Capitalized terms used in the remaining provisions of this Order and not defined in this Order shall have the meanings ascribed to them in the Interim Order. For purposes of the Interim Order and this Order, the term "DIP Lenders" means the Purchaser and the HRL Trust Lender solely in their capacities as postpetition lenders.

2. The Debtor is authorized to use the Prepetition Lender's cash collateral through August 10, 2023, in accordance with the Interim Order.

3. The Debtor is authorized to borrow up to $560,000 from the DIP Lenders, inclusive of the $500,000 of borrowing authorized by the Interim Order, on the terms and conditions of the DIP Notes as modified by the Interim Order and this Order. The Debtor is authorized to borrow from both DIP Lenders, and the prohibition against borrowing from the HRL Trust Lender until entry of a final order on the Financing Motion set forth in Paragraph 3 of the Interim Order is lifted to the extent provided in this Order.

4. Each DIP Lender that advances funds pursuant to this Order shall have, for funds actually advanced, the same protections provided to the Purchaser for advances made pursuant to the Purchaser DIP Note as modified by the Interim Order and this Order.

5. Each DIP Lender has consented to the terms of this Order and confirmed that no Event of Default will occur under the DIP Notes to the extent the terms of this Order are inconsistent with the DIP Notes. As provided in the Interim Order, in the event of any inconsistency between the terms or provisions of the Interim Order or this Order, and any of the DIP Notes, the terms and conditions of the Orders shall govern.

6. The DIP Liens shall be subordinated only to (A) properly perfected purchase money security interests in the Prepetition Collateral (if any), (B) Third-Party Cash Collateral Liens, as such term is defined in Schedule A attached to and incorporated into this Order, and (C) the payment of the Carve-Out as provided in paragraph 7 of the Interim Order.

7. In addition to the provisions of Paragraph 15b of the Interim Order regarding the subordination of the Adequate Protection Liens to the Purchaser DIP Liens and the Carve-Out, the Adequate Protection Liens shall be subordinated to (A) properly perfected purchase money security interests in the Prepetition Collateral (if any) and (B) Third-Party Cash Collateral Liens, as such term is defined in Schedule A attached to and incorporated into this Order.

8. Since the DIP Lenders have agreed to subordinate their DIP Liens and superpriority claims to the Carve-Out, the Debtor is deemed to have waived (a) the provisions of section 506(c) of the Bankruptcy Code and (b) all rights and benefits of section 552(b) of the Bankruptcy Code, including without limitation any right to assert the "equities of the case" exception, as to each of the DIP Lenders but solely in such capacity, and such waivers are approved and made binding on the Debtor, its estate, and all entities immediately upon entry of this Order and shall not be subject to future challenge by any entity to the extent of funds actually advanced. For avoidance of doubt, the foregoing expressly does not extend to the Prepetition Lender in respect of its Prepetition Liens.

9. Nothing in the Interim Order as modified by this Order shall vitiate or be deemed to affect the rights of the Surety (as defined in attached Schedule A) and Brookline Bank, and their respective past, present or future parents, subsidiaries or affiliates, and successors and assigns, as holders of or with respect to the Third-Party Cash Collateral Liens and the Third-Party Cash Collateral Accounts (as defined in attached Schedule A), or any replacement accounts or collateral. Nothing in the Interim Order or this Final Order shall vitiate or be deemed to affect the rights of Delta Air Lines, Inc., Alitalia SpA, Societe Air France, and Airlines Reporting Corporation, and their respective past, present or future parents, subsidiaries or affiliates, and successors and assigns, as holders of or with respect to the Airline LOCs (as defined in attached Schedule A) or any substitute or replacement letters of credit. The Debtor shall not seek to use, transfer or redeem any property in the Third-Party Cash Collateral Accounts, or direct any other entity to use, transfer or redeem any property in the Third-Party Cash Collateral Accounts, absent a separate Order of this Court.

10. Notwithstanding anything to the contrary in the DIP Notes or the Interim Order, the DIP Liens and the Adequate Protection Liens do not constitute a lien or security interest in the customer trust funds in the amount of $2,119,139.81 held in the Debtor's deposit account with JPMorgan Chase Bank (formerly First Republic Bank), Account No. ending in 7629, and disclosed in the Debtor's Statement of Financial Affairs filed on July 21, 2023 [Dkt. No. 109, at p. 140, item #21] (the "Customer Trust Funds"). The Prepetition Lender and each DIP Lender, by their assent to entry of this Order, has expressly disclaimed any lien or security interest in the Customer Trust Funds.

11. Any filed objections to the Motion are reserved and will be considered at the final hearing except that any objections to the waiver of Section 506(c) claims or the provisions of

Section 552 to the DIP Lenders are overruled to the extent of funds actually advanced by the DIP Lenders. Any party who has filed an objection is not required to file a further objection.

12. The final hearing on the Financing Motion shall be held in person in Courtroom No. 3, John W. McCormack Post Office & Court House, 5 Post Office Square, 12th Floor, Boston, Massachusetts, on **August 9, 2023, at 10:00 a.m. (EDT**). Any additional objections or responses to entry of the Final Order on the Financing Motion (each, an "Objection") shall be filed on or before **5:00 p.m. (EDT) on August 7, 2023**. The Debtor shall by **July 28, 2023,** serve this Order and notice of such final hearing on the Notice Parties.

13. The Debtor shall by **12:00 noon on August 8, 2023,** file with the Court an updated actual to budget report covering the period from the Petition Date through August 4, 2023.

14. Except as provided in this Order or the Interim Order, the right of any party to object to the entry of the Final Order is reserved. No such objection shall affect (i) the grant of security and priority for any funds actually advanced by the DIP Lenders under the Interim Order or this Order, or (ii) the grant of security and priority for any of the Prepetition Lender's cash collateral actually used prior to the final hearing, except to the extent it is subsequently determined that the Prepetition Lender does not hold a valid, perfected and enforceable prepetition security interest in the Debtor's assets.

15. The Court shall retain jurisdiction to hear, determine and, if applicable, enforce the terms of any and all matters arising from or related to the DIP Notes and the Interim Order as modified by this Order.

Dated: July 26, 2023

Janet E. Bostwick
United States Bankruptcy Judge

Schedule A

Third-Party Cash Collateral Liens. The Debtor, the Prepetition Lender, and each of the DIP Lenders has acknowledged the existence as of the Petition Date of certain deposit accounts maintained as security for the Debtor's performance of its obligations to sureties and issuers of letters of credit for the Debtor's account, as described below (collectively, the "Third-Party Cash Collateral Accounts"):

(i) Wells Fargo Account Number XXXX-7367 [redacted] in the name of the Debtor, United States Surety Company ("USSC"), and American Contractors Indemnity Company ("ACIC"), having a balance of approximately $779,000.00, as of May 31, 2023, which account secures the performance and payment of the Debtor's obligations to USSC, ACIC, and their respective past, present or future parents, subsidiaries or affiliates (collectively, the "Surety") for surety bonds issued by the Surety for the benefit of the United States of America and the State of California; and

(ii) Brookline Bank Account Number XXXXXX-6168 [redacted] in the name of the Debtor and Brookline Bank, having a Petition Date balance of $110,000.00, which account secures the performance and payment of the Debtor's obligations to Brookline Bank including on account of the bank's issuance for the Debtor's account of the following four letters of credit: (A) Letter of Credit Number 1747037220 issued for the benefit of Alitalia (the "Alitalia LOC"); (B) Letter of Credit Number 1747037230 issued for the benefit of Delta Air Lines, Inc. (the "Delta LOC"); (C) Letter of Credit No. 1747037420 issued for the benefit of Societe Air France (the "Air France LOC"): and (D) Letter of Credit Number 1747021000 issued for the benefit of Airlines Reporting Corporation (the "ARC LOC" and, together with the Alitalia LOC, the Delta LOC, and the Air France LOC, the "Airline LOCs").

The respective liens, security interests, and rights to payment (including setoff and/or recoupment rights, if any) held by the Surety (and any party to whose rights the Surety has or may become subrogated to) and Brookline Bank in and to the Third-Party Cash Collateral Accounts are collectively referred to as the "Third-Party Cash Collateral Liens" for purposes of this Order.