



MEMORANDUM

Resolution 24-110, Approving a Sublease at the Homer Airport Terminal for Sterling Airways DBA Aleutian Airways and Authorizing the City Manager to Negotiate and Execute the Appropriate Documents. City Manager/Port Director

Item Type: Backup Memorandum
Prepared For: Homer City Council & Mayor Castner
Date: October 8, 2024
From: Bryan Hawkins, Port Director
Through: Melissa Jacobsen, City Manager

Sterling Airways DBA Aleutian Airways was approved for a sublease in the Homer Airport by Resolution 23-080, and operated satisfactorily in the Homer Terminal through the winter of 2023-2024. Sterling Airways terminated their sublease on April 5, 2024 when it was revealed that ongoing construction at the airport would not permit their aircraft to operate through the summer of 2024.

They have submitted a new application to sublease in the Homer Airport terminal, both for the space included in the original sublease and a ticket counter vacated by Kenai Aviation earlier in 2024. The proposed use of the space is for "Airline passenger and Cargo check in, loading and movement."

The Homer Airport Terminal building is owned by the City of Homer, while the land is leased to the City by the State of Alaska. The City's lease with the State ends on March 30, 2028, beyond which the City cannot sublease space within the terminal. There is a holding over provision for a month-to-month continuation of both the City lease with the State and for subleases beyond that date. HCC 18 specifies within it that lease options to renew are limited to 25% of the original term. Aleutian Airways has requested a three-year term with two extensions (restricted to nine months each). Given the limited time remaining on the prime lease, Staff recommend a three-year and five month lease beginning November 1, 2024 and ending March 30, 2028.

The City Manager and Lease Staff have reviewed the request and found the proposal to be compatible with applicable regulations and meets the criteria outlined in City Code.

RECOMMENDATION: Adopt Resolution 24-218



City Lease Application For City-Owned Real Property

Homer Port & Harbor
4311 Freight Dock Road
Homer, AK 99603
Phone: (907)235-3160
Fax: (907)235-3152
port@cityofhomer-ak.gov

Lease Application Instructions

- The information provided on the following form shall be used by City Staff, City Council, and the Port and Harbor Advisory Commission (for City land on the Homer Spit) during the review process of your lease proposal. It is considered public information and will be included in the public meeting packets.
- Any financial information/documents included with your application is considered confidential and will be used by City Staff only; it will not be part of the public review process.
- Please complete all sections of the form, or put “N/A” if non-applicable.
- All applicable fees must be included with your application in order to process the application. Payments can be made either by check payable to “City of Homer” or by credit card. Current fees established by the City Fee Schedule are:

Lease Application Fee – For New Long-Term Leases	\$1,000.00
Lease Amendment/Transfer Fee – For Assignment of an Existing Lease to a New Lessee	\$500.00

- Submit your completed application, required documents, and application fee to:

Homer Port & Harbor
4311 Freight Dock Road
Homer, AK 99603
Email: rkriegh@cityofhomer-ak.gov
Direct Phone: (907)235-3161

- Your application will go through an initial review to ensure completeness and Lease Staff will be in touch to coordinate any follow-up meetings, requests for missing information, and to schedule your lease application/proposal for the applicable public meetings.
- Lease applications and proposal are evaluated based on the criteria outlined in HCC 18.08.060.

Lease Application Questions?

Contact:

Roslyn Kriegh, Port Property Associate
Email: rkriegh@cityofhomer-ak.gov
Direct Phone: (907)235-3161



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Lease Application Purpose

- ☐ Request for New Lease; New Lessee – Applicant is not currently a City lessee
- ☐ Request for New Lease; Existing Lessee – Applicant is a current lessee with no remaining options to renew
- ☐ Request for Assignment of Lease – Applicant is requesting to have an existing lease transferred to a new owner/business

Property Information

Physical Address:			
Square Footage:	<input type="checkbox"/> Full Lot	<input type="checkbox"/> Portion of Lot	KPB Parcel No.:
Legal Description of Property:			

Applicant Information

Business Name:	
Representative's Full Name & Title:	
Mailing Address:	
City, State, ZIP Code:	
Phone Number(s):	
Email:	

Business Entity & Financial Information

<input type="checkbox"/>	Sole or Individual Proprietorship – Attached documentation must provide owner's full name, address, and verify they are the sole owner.		
	Is entity authorized to do business in Alaska? <input type="checkbox"/> No <input type="checkbox"/> Yes – As of what date:		
<input type="checkbox"/>	Partnership – Attached documentation must provide Partners' full names, addresses, and share percentages.		
	Date of Organization:	Type of Partnership:	
	Is Partnership authorized to do business in Alaska? <input type="checkbox"/> No <input type="checkbox"/> Yes – As of what date:		

<input type="checkbox"/>	Corporation – Attached documentation must provide the full names of Officers and Principal Stockholders (10%+), their addresses, and share percentages.	
	Date of Organization:	Type of Corporation:
	Is Corporation authorized to do business in Alaska? <input type="checkbox"/> No <input type="checkbox"/> Yes – As of what date:	
	Corporation is held: <input type="checkbox"/> Privately <input type="checkbox"/> Publicly – How and where is stock traded:	
<input type="checkbox"/>	Other – Please explain:	
Proof of Financial Capability to Meet Obligations:	<input type="checkbox"/> Documentation of Payment History: Documents such as a credit report and score from one of the three credit bureaus (i.e. Experian, Equifax, TransUnion) or records of prior lease history.	
	<input type="checkbox"/> Documentation of Applicant's Financial Backing: Records showing applicant has secured the funding necessary to implement their development/improvement plan and/or purchase the business (if applicable).	
	<input type="checkbox"/> Documentation of Business' Vitality: Minimum of two years (past year and current year) of financial statements; this includes a Balance Sheet and Profit/Loss Statement (Revenue/Expense Statement).	
Surety Information:	Has any surety or bonding company ever been required to perform upon your default or the default of any of the principals in you organization holding more than a 10% interest? <input type="checkbox"/> No <input type="checkbox"/> Yes – Attach a statement naming the surety or bonding company, date and amount of bond, and the circumstances surrounding the default or performance.	
Bankruptcy information:	Have you or any of the principals of your organization holding more than a 10% interest ever been declared bankrupt or are presently a debtor in a bankruptcy action? <input type="checkbox"/> No <input type="checkbox"/> Yes – Attach a statement indicating state, date, Court having jurisdiction, case number and to amount of assets and debt.	
Pending Litigation:	Are you or any of the principals of your organization holding more than a 10% interest presently a party to any pending litigation? <input type="checkbox"/> No <input type="checkbox"/> Yes – Attach detailed information as to each claim, cause of action, lien, judgment including dates and case numbers.	

Lease Proposal

Type of Business/ Proposed Use of the Property:	
-------------------------------------------------------	--

Requested Lease Term:	<input type="checkbox"/> Short Term Lease (One Year or Less) – Duration (in months):
	<input type="checkbox"/> Long Term Lease (More Than One Year) <ul style="list-style-type: none"> Standardized Lease is a 20-year term with two 5-year Options to Renew; City Manager may deviate from standardized lease term when reasonable and necessary, and approved by Council (18.08.030). No more than two Options to Renew; each option cannot exceed 25% of initial lease term (18.08.110). <div> Duration (in years): _____ No. of Options to Renew: _____ </div>
Property Plan:	<input type="checkbox"/> Describe your Property Plan in your written narrative. Details should include but not be limited to: <ul style="list-style-type: none"> Proposed utilization of the lot/space, including parking If there are existing buildings on the property and what their proposed uses are Any intentions to rent out or sublease space on the property How the use is compatible with neighboring uses and consistent with applicable land use regulations including the Land Allocation Plan; Comprehensive Plan
	<input type="checkbox"/> Provide a detailed schematic (to scale) that shows the following: <ul style="list-style-type: none"> Size of lot – dimensions and total square footage Placement/size of existing buildings, storage units, and other miscellaneous structures Parking spaces – numbered on the drawing with a total number indicated Note: an as-built survey from a licensed surveyor may be required
Development Plan:	<p>Do you have a development and/or improvement plan for the property, including plans for repairs or maintenance to any existing buildings?</p> <div> <input type="checkbox"/> Yes In your written narrative, provide as much information as possible on how you intend to develop/improve the property. Include a time schedule from project initiation to completion, major project milestones, cost estimate and financing plan, and any additional designs not already provided in the Property Plan’s detailed schematic. </div> <div> <input type="checkbox"/> No In your written narrative, explain why. </div>
City Planning & Other Agency Approvals:	<p>Does your business/proposed use and/or development plan require agency approval? The granting of any lease is contingent upon lessee obtaining approval, necessary permits, and/or inspection statements from all appropriate City, State and/or Federal agencies. This includes but is not limited to:</p> <ul style="list-style-type: none"> Applicable permits/approval from City Planning for zoning compliance, such as Conditional Use Permits, Zoning Permits Fire Marshall Plan Review and Permitting Waste Disposal System Plan Approval – Includes fish waste if applicable Other applicable permits/inspection statements from agencies such as U.S. Army Corps of Engineers, U.S. Environmental Protection Agency, and Alaska Department of Environmental Conservation Division of Environmental Health <div> <input type="checkbox"/> Explain in your written narrative what necessary approvals, permits, and/or inspections are applicable to your business/proposed use and the current status of your application with those agencies. </div> <div> <input type="checkbox"/> Attach any relevant documentation that verifies completion or pending status. </div>

Insurance Requirements:	<p>The granting of any lease is contingent upon lessee obtaining and keeping in full force insurance as outlined in HCC 18.08.170. Certificates of insurance showing the required insurance is in effect and identifying the City as an additional insured must be provided to the City at the time a lease becomes effective and annually thereafter, and upon every change in insurance provider or insurance coverage.</p> <p><input type="checkbox"/> Provide proof of insurability for public liability insurance in the amount of not less than \$1,000,000 coverage per occurrence for bodily injury, including death, and property damage, and the City of Homer as co-insured. Additional insurance limits or types may be required due to the nature of the business, lease, or exposure.</p>
Benefits & Impacts on Community:	<p><input type="checkbox"/> In your written narrative answer the following questions:</p> <ul style="list-style-type: none"> • What experience do you have in the proposed business or venture? • How long have you resided or conducted business in the City, Kenai Peninsula Borough, and/or the State of Alaska? • What are some of the economic, social, and financial benefits and/or impacts your business/proposed use brings to the community?
Applicant References:	<p><input type="checkbox"/> In your written narrative, list four persons or firms with whom the Applicant or its owners have conducted business transactions with during the past three years. Two references named shall have knowledge of your financial management history, of which at least one must be your principal financial institution. Two of the references must have knowledge of your business expertise.</p> <p>Each reference must include the following:</p> <ul style="list-style-type: none"> • Full Name • Name of the organization/business and their title at this entity • Address • Phone number and email address • Nature of association with Applicant
Additional Information:	<p><input type="checkbox"/> Include in your written narrative, or attach relevant documentation, that you deem pertinent to your application/lease proposal. Criteria for evaluating and approving proposals and competing lease applications can be found under HCC 18.08.060.</p>

Required Attachments/Documentation	
<input type="checkbox"/>	Written Narrative
<input type="checkbox"/>	Business Entity and Licensing Information <ul style="list-style-type: none"> • State of Alaska Business License • Current State of Alaska Biennial Report • If Partnership: Statement of Partnership/Partnership Agreement • If Corporation: Articles of Incorporation & Bylaws • Any additional documentation concerning the formation or operation of the entity
<input type="checkbox"/>	Financial Information
<input type="checkbox"/>	Property Plan – Detailed Schematic of Property
<input type="checkbox"/>	Development Plan documents/plans, if any
<input type="checkbox"/>	Proof of Insurability; verification that insurance can be provided at signing of lease

☐ City Planning & Other Agency Approval Information, if any

Application Signatures

By signing, I agree that the above information is true and correct to the best of my knowledge. I certify that I am authorized to sign as the applicant on behalf of the entity I represent.

Signature: _____ Date: _____

Printed Name & Title: _____

Office Use Only

Received By & Date: _____		Fee Processed: \$ _____		Date: _____
Date Application Accepted as Complete/Submitted for Review: _____		Application Timeout Date: (1 year from receipt) _____		
Submitted for Dept. Review: <input type="checkbox"/> Planning <input type="checkbox"/> Port & Harbor <input type="checkbox"/> Economic Development <input type="checkbox"/> Finance <input type="checkbox"/> Public Works				
Submitted for City Manager Review: _____		<input type="checkbox"/> Approved on: _____		<input type="checkbox"/> Denied on: _____
For Existing Leases Exempt from Competitive Bidding:	Current Lease Expires with No Options to renew: _____			
	6 mos. Prior to date of lease termination (Council Approval Deadline): _____			
	Request received within 12 to 18 mo. timeframe from expiration of lease date: <input type="checkbox"/> Yes <input type="checkbox"/> No			

Alaska Department of Commerce, Community, and Economic Development

Division of Corporations, Business, and Professional Licensing
PO Box 110806, Juneau, AK 99811-0806

This is to certify that

Aleutian Airways

777 West Putnam Avenue, First Floor, Greenwich, CT 06830

owned by

Sterling Airways, Inc.

is licensed by the department to conduct business for the period

January 10, 2023 to December 31, 2024
for the following line(s) of business:

48 - Transportation and Warehousing



This license shall not be taken as permission to do business in the state without having complied with the other requirements of the laws of the State or of the United States.

This license must be posted in a conspicuous place at the business location.
It is not transferable or assignable.

Julie Sande
Commissioner

Aleutian Airways
777 West Putnam Avenue
First Floor
Greenwich, CT 06830

Alaska Department of Commerce, Community, and Economic Development

Division of Corporations, Business, and Professional Licensing

PO Box 110806, Juneau, AK 99811-0806

This is to certify that

Sterling Airways

10794 Craig Blvd, Jacksonville, FL 32225

owned by

Via Acquisitions Limited

is licensed by the department to conduct business for the period

September 24, 2021 to December 31, 2022
for the following line(s) of business:

48 - Transportation and Warehousing



This license shall not be taken as permission to do business in the state without having complied with the other requirements of the laws of the State or of the United States.

This license must be posted in a conspicuous place at the business location.
It is not transferable or assignable.

Julie Anderson
Commissioner

Sterling Airways
10794 Craig Blvd
Jacksonville, FL 32225

Delaware

Page 1

The First State

I, JEFFREY W. BULLOCK, SECRETARY OF STATE OF THE STATE OF
DELAWARE, DO HEREBY CERTIFY "STERLING AIRWAYS, INC." IS DULY
INCORPORATED UNDER THE LAWS OF THE STATE OF DELAWARE AND IS IN GOOD
STANDING AND HAS A LEGAL CORPORATE EXISTENCE SO FAR AS THE RECORDS
OF THIS OFFICE SHOW, AS OF THE TWENTY-SIXTH DAY OF JULY, A.D. 2021.



5961722 8300

SR# 20212786934

You may verify this certificate online at corp.delaware.gov/authver.shtml



Jeffrey W. Bullock, Secretary of State

Authentication: 203757579

Date: 07-26-21

Delaware

The First State

Page 1

I, JEFFREY W. BULLOCK, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY THE ATTACHED IS A TRUE AND CORRECT COPY OF THE CERTIFICATE OF AMENDMENT OF "VIA AIRLINES, INC.", CHANGING ITS NAME FROM "VIA AIRLINES, INC." TO "STERLING AIRWAYS, INC.", FILED IN THIS OFFICE ON THE TWENTY-THIRD DAY OF JULY, A.D. 2021, AT 12:13 O'CLOCK P.M.




Jeffrey W. Bullock, Secretary of State

5961722 8100
SR# 20212786934

Authentication: 203757578
Date: 07-26-21

You may verify this certificate online at corp.delaware.gov/authver.shtml

A. NEW OWNERSHIP AND MANAGEMENT OF VIA AIRLINES.

a. Via Airlines, Inc.

8. *Organization.* Via Airlines, Inc. is a Delaware corporation.

9. *Managing Officers/Key Personnel.*² The following are Via's managing officers and key technical/operational personnel:

CEO and Chairman: Mr. Wayne Heller is a well-known and experienced senior airline manager with more than 35 years of experience in the industry overseeing scheduled airline operations. From 2002-2015, Mr. Heller served as Executive Vice President and Chief Operating Officer at Republic Airways Holdings, parent company of several regional air carriers, i.e., Republic Airlines, Chautauqua Airlines, and Shuttle America. Prior to Republic, he served as Managing Director of System Operations at Mesaba Airlines in the late 1990s.

Vice President and Assistant Secretary: Mr. Arthur Amron is a Partner and the General Counsel of Wexford Capital LP and has significant experience in airline investments and management. Wexford previously owned Republic Airways, which in turn owned Republic Airlines, Chautauqua Airlines, and Shuttle America.

Vice President, Treasurer and Secretary: Mr. Andre Jakubowski is a Vice President at Wexford Capital LP, and has significant experience in and responsibility for financial matters relating to Wexford investments.

Director of Operations: Mr. Alex Osleger has extensive airline operational management experience. Mr. Osleger served as the Director of Operations ("DO") for Chautauqua Airlines, Republic Airlines, and Shuttle America. He also led the certification effort for Republic Airlines, the first airline certified under ATOS, and was the lead team member for the Chautauqua/Shuttle America single operating certificate under SMS. Mr. Osleger has also been a line pilot, line check airman, program manager, and Chief Pilot.

Director of Maintenance: Mr. Jeffrey Greubel has substantial airline maintenance experience. Mr. Greubel was the Director of Maintenance

² "Key personnel" include "the directors, president, chief executive officer, chief operating officer, all vice presidents, the directors or supervisors of operations, maintenance, and finance, and the chief pilot of the applicant or air carrier, as well as any part-time or full-time advisors or consultants to the management of the applicant or air carrier". 14 C.F.R. § 204.2(i).



Southeast Marine and Aviation Insurance

355 Alhambra Circle
Suite 1201
Coral Gables, Florida 33134
Tel: 305-779-7676
Fax: 305-779-7677
www.semainsurance.com

Date: March 15, 2023

To: Whom It May Concern

CERTIFICATE OF INSURANCE

BASIS: This Certificate of Insurance is issued by Southeast Marine & Aviation Insurance to evidence that certain insurance policies have been placed by ourselves in our capacity as Insurance Brokers to the Insured in respect of their required insurance of such policies.

DESCRIPTION OF INSURANCE: Subject to the coverage, terms, conditions, limitations, exclusions and cancellation provisions of the Policies mentioned below.

INSURED: **STERLING AIRWAYS** and/or their subsidiary and/or associated and/or affiliated companies and/or their employees and/or agents for their respective rights and interests.

POLICY PERIOD: 15 March 2023 to 15 March 2024, both days inclusive at 00:01 local standard time at the address of the Insured

GEOGRAPHICAL LIMITS: Worldwide subject to LSW617H (Amended to Delete B) and also excluding Cuba, Russia, Belarus, Ukraine and Crimea.

ORDER(S) HEREON: 100% insurance placed with certain Underwriters at Lloyd's of London and various insurance companies

COVERAGE: AIRCRAFT HULL ALL RISKS

To cover Aircraft owned or operated by or on behalf of the Insured or for which the Insured is responsible as per Schedule against all risks of physical loss or damage subject to Agreed Values as per Aircraft Schedule. Cover is afforded to aircraft for Ground and In-Flight Risks.

Cover afforded under Hull Physical Damage includes coverage for loss and/or damages as a result of FOD (Foreign Object Damage/Ingestion). The coverage does not extend to DOD (Domestic Object Damage/wear and tear). Cover is subject to a deductible in respect of all losses (other than in the event of a Total Loss/Constructive Total Loss/Arranged Total Loss or Fire or Theft of the Aircraft):

SAAB 2000: USD 250,000 each and every claim

AIRCRAFT HULL WAR RISKS

To cover all Aircraft as per Schedule owned, operated, leased or used by or on behalf of the Insured or for which they are responsible for loss or damage against War Risks and Allied Perils including Confiscation and Hi-Jacking as per form, including Extortion and Hi-Jack Expenses and Confiscation by Government of Registration.

The Policy is on an agreed value basis but subject to a maximum agreed value of USD 5,000,000 any one aircraft.

The Aircraft Hull All Risks and Aircraft Hull War Risks Insurance are arranged separately and contain a 50/50 provisional claims settlement clause AVS103 which is a placing slip clause being an agreement between the two sets of Insurers. Therefore clause AVS103 will not form part of the respective policies.

LIABILITIES

To pay on behalf of the Insured all sums which the Insured shall become legally obligated to pay.

The Limit of Legal Liability:

Combined Single Limit (Bodily Injury/Property Damage/ including Passenger Legal Liability) USD 350,000,000 any one occurrence/each aircraft/unlimited in all but in the aggregate including Products.

War Risks are covered in accordance with Extended Coverage Endorsement (Aviation Liabilities) AVN52E as contained in the Policy, but subject to a sub-limit of USD 350,000,000 any one occurrence and in the annual aggregate except in respect of passengers, cargo and mail on board the aircraft to whom the full policy limit shall apply

Personal Injury to persons other than passengers limited to USD 25,000,000 any one offence and in the aggregate within overall Combined Single Limit.

Cargo Liability limited to USD 150,000,000 any one occurrence.

Passenger Baggage Liability limited to USD 100,000 any one occurrence.

Hangarkeepers Liability included within the Combined Single Limit of USD 350,000,000 any one occurrence

SPARES

To cover loss of or damage to aircraft spares.

Maximum USD 10,000,000 any one occurrence

N.B. Any of the Aggregate Limits shown herein may be reduced or exhausted by virtue of claims made in respect of any of the Insured's Aircraft/activities/operations insured under their Aviation liability Insurances.

Equipment:

One (1) Saab 2000 Aircraft bearing Manufacturer's Serial No. 2000-021 and Registration Number N687PA valued at USD 3,750,000

One (1) Saab 2000 Aircraft bearing Manufacturer's Serial No. 2000-046 and Registration Number N462PA valued at USD 3,750,000

Subject to the terms, conditions, limitations, exclusions and cancellation provisions of policy numbers AI 013468545-03.

A handwritten signature in blue ink, consisting of stylized, cursive letters that appear to be 'C. B. D.' or similar.

AUTHORISED SIGNATORY

(RE)INSURERS LIABILITY CLAUSE

(Re)insurer's liability several not joint

The liability of a (re)insurer under this contract is several and not joint with other (re)insurers party to this contract. A (re)insurer is liable only for the proportion of liability it has underwritten. A (re)insurer is not jointly liable for the proportion of liability underwritten by any other (re)insurer. Nor is a (re)insurer otherwise responsible for any liability of any other (re)insurer that may underwrite this contract.

The proportion of liability under this contract underwritten by a (re)insurer (or, in the case of a Lloyd's syndicate, the total of the proportions underwritten by all the members of the syndicate taken together) is shown next to its stamp. This is subject always to the provision concerning "signing" below.

In the case of a Lloyd's syndicate, each member of the syndicate (rather than the syndicate itself) is a (re)insurer. Each member has underwritten a proportion of the total shown for the syndicate (that total itself being the total of the proportions underwritten by all the members of the syndicate taken together). The liability of each member of the syndicate is several and not joint with other members. A member is liable only for that member's proportion. A member is not jointly liable for any other member's proportion. Nor is any member otherwise responsible for any liability of any other (re)insurer that may underwrite this contract. The business address of each member is Lloyd's, One Lime Street, London EC3M 7HA. The identity of each member of a Lloyd's syndicate and their respective proportion may be obtained by writing to Market Services, Lloyd's, at the above address.

Proportion of liability

Unless there is "signing" (see below), the proportion of liability under this contract underwritten by each (re)insurer (or, in the case of a Lloyd's syndicate, the total of the proportions underwritten by all the members of the syndicate taken together) is shown next to its stamp and is referred to as its "written line".

Where this contract permits, written lines, or certain written lines, may be adjusted ("signed"). In that case a schedule is to be appended to this contract to show the definitive proportion of liability under this contract underwritten by each (re)insurer (or, in the case of a Lloyd's syndicate, the total of the proportions underwritten by all the members of the syndicate taken together). A definitive proportion (or, in the case of a Lloyd's syndicate, the total of the proportions underwritten by all the members of a Lloyd's syndicate taken together) is referred to as a "signed line". The signed lines shown in the schedule will prevail over the written lines unless a proven error in calculation has occurred.

Although reference is made at various points in this clause to "this contract" in the singular, where the circumstances so require this should be read as a reference to contracts in the plural.

Sterling Airways

Balance Sheet

As of May 31, 2023

	JAN 2023	FEB 2023	MAR 2023	APR 2023	MAY 2023
ASSETS					
Current Assets					
Bank Accounts					
10200 PNC Checking	148,135	214,372	132,257	227,476	103,739
10300 PNC Money Market	54,490	54,551	54,621	54,688	54,770
10400 PNC DDA acct for Vendor drafts	116,843	265,155	87,977	172,216	223,057
10500 US Bank x7210	1,822	1,762	1,702	3,311	1,543
10600 Wells Fargo Checking					3,323
Total Bank Accounts	\$321,290	\$535,841	\$276,558	\$457,691	\$386,432
Accounts Receivable					
12000 Accounts Receivable - customers	3,810,325	4,710,524	6,147,224	488,667	510,939
12090 Other receivables	770,285	770,285	770,285	770,285	770,285
Total Accounts Receivable	\$4,580,610	\$5,480,809	\$6,917,509	\$1,258,952	\$1,281,224
Other Current Assets					
12070 Employee Cash Advances	422	422	953	1,028	1,011
12080 Due from Vendors	4,811	4,249	4,966	4,936	4,196
13030 Spare Parts Inventory - MTX	12,530	12,530	12,530	12,530	12,530
13090 Uniforms	88	88	88	88	88
14000 Prepaid Expenses	86,484	47,368	569,552	515,855	459,925
14100 Refundable deposits - current	3,100	3,100	3,100	3,100	3,100
17100 Intercompany - Due From/(To) affiliate - SCS	25,000	25,000	25,000	25,000	25,000
27032 Due From Affiliate - Aleutian Airways	46,091	40,792	34,758	6,906,918	8,606,093
Total Other Current Assets	\$178,526	\$133,550	\$650,948	\$7,469,454	\$9,111,943
Total Current Assets	\$5,080,426	\$6,150,199	\$7,845,015	\$9,186,097	\$10,779,598
Fixed Assets					
15100 Building and improvements	3,996	3,929	3,861	3,793	3,725
15400 Machinery & Equipment	1,459	1,426	1,393	1,360	1,327
15500 Computer equipment	10,487	9,684	9,203	8,428	7,989
15600 Software	416	399	382	364	347
15700 Rotables	0	0	0	-0	-0
15900 Assets Held for Sale (AHFS)	113,211	113,211	113,211	113,211	113,211
Total Fixed Assets	\$129,570	\$128,648	\$128,049	\$127,156	\$126,599
Other Assets					
17000 Intangible Assets	1,895	1,895	1,895	1,895	1,895
18400 Other Long-term Assets	584,640	580,140	580,140	580,140	580,140
18500 LT deposits	20,000	20,000	20,000	20,000	20,000
18900 Goodwill	789,801	789,801	789,801	789,801	789,801
Total Other Assets	\$1,396,335	\$1,391,835	\$1,391,835	\$1,391,835	\$1,391,835
TOTAL ASSETS	\$6,606,331	\$7,670,683	\$9,364,900	\$10,705,089	\$12,298,032

Sterling Airways

Balance Sheet

As of May 31, 2023

	JAN 2023	FEB 2023	MAR 2023	APR 2023	MAY 2023
LIABILITIES AND EQUITY					
Liabilities					
Current Liabilities					
Accounts Payable					
21000 Accounts payable	1,348,507	1,353,490	1,949,182	1,782,763	2,116,986
Total Accounts Payable	\$1,348,507	\$1,353,490	\$1,949,182	\$1,782,763	\$2,116,986
Credit Cards					
16100 Due To/From SFT	350,000	350,000	350,000	350,000	350,000
21500 PNC Credit Cards	28,152	47,970	46,394	42,345	46,374
Total Credit Cards	\$378,152	\$397,970	\$396,394	\$392,345	\$396,374
Other Current Liabilities					
21100 Current portion of LT Debt	129,562	130,425	131,295	132,170	133,051
22000 Accrued liabilities	12,488	52,488	62,176	11,647	9,667
22010 Accrued payroll	224,547	234,487	164,271	193,264	257,457
22020 Payroll Taxes withheld or payable	41,673	43,791	11,152	14,239	23,989
22030 Payroll Garnishments payable	1,055	1,055	434	434	434
22031 401(k) payable - EE Withholdings	2,558	2,807	0	0	0
22050 HSA payable	1,349	712	762	792	228
22070 Excise Tax Payable - 7.5%	134,686	157,965	195,178	200,070	205,259
22071 Segment Fees Payable	2,183	2,183	2,183	2,183	2,183
22072 TSA Security Fees Payable	762	762	762	762	762
23000 Air Traffic Liability	78,855	656,972	949,980	1,407,107	1,807,354
25100 Lease liability - Current	550	550	550	550	550
26000 Bankruptcy liabilities	297,314	288,034	282,139	279,580	273,686
26032 Due to Affiliate - Aleutian Airways	2,125,940	2,593,318	3,523,686	4,575,735	5,429,635
Total Other Current Liabilities	\$3,053,521	\$4,165,549	\$5,324,567	\$6,818,532	\$8,144,254
Total Current Liabilities	\$4,780,180	\$5,917,009	\$7,670,143	\$8,993,640	\$10,657,614
Long-Term Liabilities					
26100 Rumi Properties note payable - LT	189,629	178,358	167,013	155,592	144,094
27031 Intercompany - Due to/(From) affiliate - SCS	0	0	0	0	25,325
Total Long-Term Liabilities	\$189,629	\$178,358	\$167,013	\$155,592	\$169,419
Total Liabilities	\$4,969,808	\$6,095,367	\$7,837,156	\$9,149,232	\$10,827,033
Equity					
Additional Paid in Capital	6,173,381	6,173,381	6,173,381	6,173,381	6,173,381
Common Stock	2,945	2,945	2,945	2,945	2,945
Retained Earnings	-4,428,583	-4,428,583	-4,428,583	-4,428,583	-4,428,583
Net Income	-111,220	-172,427	-219,999	-191,886	-276,744
Total Equity	\$1,636,523	\$1,575,316	\$1,527,744	\$1,555,857	\$1,470,999
TOTAL LIABILITIES AND EQUITY	\$6,606,331	\$7,670,683	\$9,364,900	\$10,705,089	\$12,298,032

Sterling Airways

Profit and Loss by Month

January - May, 2023

	JAN 2023	FEB 2023	MAR 2023	APR 2023	MAY 2023	TOTAL
Income						
40200 Other income	376,715	369,641	455,325	498,811	581,889	\$2,282,381
Total Income	\$376,715	\$369,641	\$455,325	\$498,811	\$581,889	\$2,282,381
Cost of Goods Sold						
51000 Salaries & Wages - Pilots	78,346	69,350	95,540	105,131	111,373	\$459,739
51010 Salaries & Wages - Inflight	15,152	13,605	16,044	14,942	22,175	\$81,917
51020 Salaries & Wages - Maintenance	66,549	60,914	87,467	86,909	103,618	\$405,457
51030 Salaries & Wages - Dispatch	20,346	17,380	18,109	21,602	25,378	\$102,814
51040 Salaries & Wages - Pilot Training	7,665	6,923	7,665	7,418	7,665	\$37,335
51050 Salaries & Wages - Operations	57,699	50,068	64,187	78,326	125,643	\$375,923
51100 Payroll Taxes - Pilots	7,699	5,828	7,770	8,064	9,049	\$38,409
51110 Payroll Taxes - Inflight	1,587	1,251	1,349	1,280	1,977	\$7,445
51120 Payroll Taxes - Maintenance	7,291	5,160	6,971	6,974	8,184	\$34,580
51130 Payroll Taxes - Dispatch	2,009	1,361	1,568	1,687	1,962	\$8,586
51140 Payroll Taxes - Pilot Training	745	515	572	553	572	\$2,957
51150 Payroll Taxes - Operations	4,228	4,407	5,581	6,895	9,995	\$31,106
51200 Employee benefits - Direct	-8,685	-5,957	-5,716	-5,822	-5,575	\$ -31,756
51210 Health Insurance - Direct	14,917	17,301	15,509	17,588	16,874	\$82,189
52000 Aircraft Maintenance	259	-849	26	26	545	\$8
53100 Contractors - Direct	1,968	0	1,960	198	5,057	\$9,182
53300 Travel - Direct	0	1,802	29	311	896	\$3,039
54100 Fuel		8,339				\$8,339
54200 Insurance - Aircraft	36,716	36,716	18,358			\$91,790
54250 Landing Fees		194				\$194
54260 Aircraft Parking Fees		113				\$113
54300 Airport Ground Services		626		867		\$1,493
Total Cost of Goods Sold	\$314,490	\$295,047	\$342,988	\$352,947	\$445,387	\$1,750,860
GROSS PROFIT	\$62,225	\$74,594	\$112,336	\$145,864	\$136,502	\$531,521
Expenses						
64000 Salaries & Wages - Indirect	82,926	68,524	89,521	97,556	93,358	\$431,887
64100 Payroll Taxes - Indirect	7,398	5,282	6,774	2,732	6,700	\$28,887
64200 Employee benefits - Indirect	-2,660	-1,797	-3,318	-3,457	-3,525	\$ -14,756
64400 Contractors - Indirect	5,305	4,865	2,189	1,360	1,390	\$15,109
64410 Health Insurance - Indirect	5,406	5,637	8,030	8,726	8,726	\$36,526
64510 Office supplies		32	156	251		\$439
64700 Rent & Lease - Non-Aircraft	2,000	2,000	2,000	2,000	2,000	\$10,000
64800 Travel - Indirect	297	229	25	0	18	\$570
64999 Other Expenses	36	36	36	236	36	\$380
71000 Technology expenses	2,773	2,358	2,624	2,492	2,857	\$13,104
72030 Team building promotions	250	50	1,100		100	\$1,500
72100 Insurance - Non-Aircraft	4,387	4,387	4,387	4,387	4,387	\$21,935
72200 Repair & Maintenance - Building	371	371	371	371	371	\$1,854

Sterling Airways

Profit and Loss by Month

January - May, 2023

	JAN 2023	FEB 2023	MAR 2023	APR 2023	MAY 2023	TOTAL
72300 Office Expenses	43	285	403	103	158	\$992
72400 Advertising / Marketing	167	167	167	20	20	\$540
72600 Bank Fees	-794	187	-2,018	238	-908	\$ -3,295
72700 Payroll Fees	2,854	1,757	2,635	2,297	2,464	\$12,006
73000 Legal/Professional Services	57,578	37,730	37,730	-14,688	37,730	\$156,078
73100 Subscriptions/Publications	649	161	161	161	161	\$1,294
73400 EE Training/testing	135	379				\$514
75000 Utilities - all	629	423	261	266	266	\$1,844
Total Expenses	\$169,750	\$133,064	\$153,233	\$105,052	\$156,310	\$717,408
NET OPERATING INCOME	\$ -107,525	\$ -58,470	\$ -40,897	\$40,812	\$ -19,808	\$ -185,888
Other Income						
90100 Interest earned - PNC Money Market	72	66	75	71	88	\$371
90110 Interest earned - Elavon holdback		246	481	816	1,410	\$2,953
Total Other Income	\$72	\$312	\$556	\$887	\$1,497	\$3,324
Other Expenses						
81000 Interest expense	2,197	2,128	6,187	-1,719	3,084	\$11,877
85110 Depreciation expense - Bldg	68	68	68	68	68	\$339
85410 Depreciation expense - Machinery	33	33	33	33	33	\$166
85510 Depreciation expense - Computer Equipment	1,452	804	775	775	439	\$4,244
85610 Depreciation expense - Software	17	17	17	17	17	\$87
85710 Depreciation expense - Rotables	0	0	0	0	0	\$0
97000 Penalties and Fees			150	14,412	62,906	\$77,468
Total Other Expenses	\$3,767	\$3,050	\$7,230	\$13,587	\$66,547	\$94,180
NET OTHER INCOME	\$ -3,695	\$ -2,738	\$ -6,675	\$ -12,699	\$ -65,050	\$ -90,856
NET INCOME	\$ -111,220	\$ -61,207	\$ -47,572	\$28,113	\$ -84,858	\$ -276,744

**UNITED STATES BANKRUPTCY COURT
MIDDLE DISTRICT OF FLORIDA
ORLANDO DIVISION**

In re:

CASE NO. 6:19-bk-06589-KSJ

VIA AIRLINES, INC,

CHAPTER 11

Debtor.

FINAL PLAN OF REORGANIZATION FOR VIA AIRLINES, INC.

COUNSEL FOR DEBTOR

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ORLANDO, FLORIDA 32801

July 2, 2020

**UNITED STATES BANKRUPTCY COURT
MIDDLE DISTRICT OF FLORIDA
ORLANDO DIVISION**

In re:

CASE NO. 6:19-bk-06589-KSJ

VIA AIRLINES, INC,

Debtor.

CHAPTER 11

_____ /

FINAL PLAN OF REORGANIZATION FOR VIA AIRLINES, INC.

VIA AIRLINES, INC. (the “Debtor” or “VIA”), by and through its undersigned counsel, hereby submits the following Final Plan of Reorganization (the “Plan”) pursuant to Chapter 11 of Title 11 of the United States Code (the “Bankruptcy Code”), which Plan incorporates a series of modifications filed and announced in open court at the confirmation hearing held on June 29, 2020 at 10:00.

ARTICLE I – DEFINITIONS

1. **Administrative Claim** shall mean a Claim for payment of an administrative expense of a kind specified in §§ 503(b) or 507(a)(1) of the Bankruptcy Code, including, without limitation, the actual, necessary costs and expenses incurred after the commencement of the Bankruptcy Case of preserving the Debtor’s Estate and operating the Debtor’s business, including wages, salaries, or commissions for services, compensation for legal and other services and reimbursement of expenses awarded under §§ 330(a) or 331 of the Code, and all fees and charges assessed against the Estate under Chapter 123 of Title 28, United States Code.

2. **Administrative Claim Reserve** means the \$185,000.00 held by the Debtor’s counsel as noted in Article VI, Section A of the Plan.

3. **Administrative Claims Bar Date** means the date by which all Administrative

Claims must be filed with the Bankruptcy Court to be allowed. The Administrative Claims Bar Date will be established by the Bankruptcy Court as a specific date prior to the Confirmation Date.

4. **Allowed Administrative Claim** means all or any portion of an Administrative Claim that has been or becomes allowed by Order of the Bankruptcy Court.

5. **Allowed Amount** shall mean the amount of an Allowed Claim.

6. **Allowed Claim** means a Claim (a) with respect to which a Proof of Claim has been filed with the Bankruptcy Court in accordance with the provisions of Bankruptcy Code § 501 and Bankruptcy Rule 3001 and within any applicable period of limitation fixed by Rule 3003 or any notice or Final Order of the Bankruptcy Court; (b) deemed filed pursuant to Bankruptcy Code § 1111(a) by virtue of such Claim having been scheduled in the list of Creditors prepared and filed by the Debtor with the Bankruptcy Court pursuant to Bankruptcy Code § 521(1) and Rule 1007(b) and not listed as disputed, contingent, or unliquidated; or (c) deemed an Allowed Claim (including Allowed Secured Claims and Allowed Unsecured Claims) pursuant to the provisions of the Plan or any Final Order of the Bankruptcy Court. Unless otherwise provided in the Plan or unless deemed or adjudicated an Allowed Claim pursuant to the provisions of the Plan or any Final Order of the Bankruptcy Court, an Allowed Claim shall not include any Claim as to which an objection to or proceeding challenging the allowance thereof has been interposed by the Debtor within any applicable period of limitation fixed by the Plan, by Rule 3003, or any Final Order of the Bankruptcy Court, until such objection or proceeding has been overruled, dismissed, or settled by entry of a Final Order. Notwithstanding the filing of any such objection or the commencement of any such proceeding, a Claim may be temporarily allowed for voting purposes pursuant to the provisions of Rule 3018(a). Unless otherwise specified in the Plan or any Final Order of the Bankruptcy Court, an Allowed Claim shall not include or accrue interest on the amount of such Claim maturing, incurred

otherwise or arising subsequent to the Petition Date.

7. **Allowed Interest** means an Interest (a) with respect to which a proof of Interest has been filed with the Bankruptcy Court within the applicable period of limitation fixed by Rule 3001 or a Final Order; or (b) that has been scheduled in the list of equity security holders prepared and filed by the Debtor with the Bankruptcy Court pursuant to Rule 1007(b); and in either case as to which no objection to the allowance thereof has been interposed within any applicable period of limitation fixed by Rule 3001 or any Final Order of the Bankruptcy Court.

8. **Allowed Priority Claim** means a Priority Claim pursuant to §507, exclusive of §507(a)(8) of the Bankruptcy Code; to the extent such Priority Claim is or becomes an Allowed Claim.

9. **Allowed Priority Tax Claim** means a Priority Claim pursuant to § 507(a)(8) of the Bankruptcy Code; to the extent such Priority Claim is or becomes an Allowed Claim.

10. **Allowed Secured Claim** means a Secured Claim to the extent provided under § 506 of the Bankruptcy Code and to the extent that neither the lien underlying the Claim is challenged nor the amount of the Claim is challenged as provided herein.

11. **Allowed Unsecured Claim** means an Unsecured Claim to the extent such Unsecured Claim is or becomes an Allowed Claim.

12. **Assets** means each and every item of Property of the Estate and every interest of the Debtor and its Estate as of the Effective Date, whether tangible or intangible, legal or equitable, liquidated or unliquidated, whether or not controlled by the Debtor, and includes without limitation: (a) all real and personal property and Cash; (b) all rights, Claims, demands, or Causes of Action, whether arising by statute or common law, and whether arising under the laws of the United States, other countries, or applicable state or local law; (c) any and all amounts owed to the Debtor,

including accounts receivable, contract rights, or other rights, including without limitation rights to payment, contribution or distribution from Insiders, whether due prior or subsequent to the Petition Date; (d) all of the Debtor's books, records, and privileges; and (e) all Executory Contracts, and other contracts, agreements, licenses, and leases.

13. **Ballot** means the ballot accompanying the Plan and Disclosure Statement that will be sent to all Creditors entitled to vote on the Plan, on which such Creditors will indicate their vote to accept or reject the Plan.

14. **Ballot Date** means the date set by the Bankruptcy Court by which all votes for acceptance or rejection of the Plan must be received by the Bankruptcy Court or the balloting agent, as the case may be.

15. **Bankruptcy Case** means the Debtor's bankruptcy case that is pending before the United States Bankruptcy Court for the Middle District of Florida, Orlando Division, pursuant to Chapter 11 of the Bankruptcy Code, case number 6:19-bk-06589-KSJ.

16. **Bankruptcy Code** or **Code** means Title 11 of the United States Code, 11 U.S.C. §§ 101, et seq., including any amendments thereto, in effect during the Bankruptcy Cases.

17. **Bankruptcy Court** or **Court** means the United States Bankruptcy Court for the Middle District of Florida, Orlando Division, in which the Bankruptcy Case is pending, and any Court having jurisdiction to hear appeals or certiorari proceedings therefrom.

18. **Bankruptcy Estate** shall mean the estate created pursuant to § 541 of the Code by the commencement of Debtor's Chapter 11 case and shall include all property of the Estate as defined in such section.

19. **Bankruptcy Rules** means the Federal Rules of Bankruptcy Procedure promulgated under Title 28, United States Code, § 2075, including any amendments thereto, as they may be

amended from time to time during the Bankruptcy Case.

20. **Bar Date** means the date fixed by Order of the Bankruptcy Court as the last date for the filing of Claims in this Bankruptcy Case or the date fixed by the Bankruptcy Code.

21. **Business Day** means every day except Saturdays, Sundays, federal holidays, and Florida state holidays observed by the Bankruptcy Court.

22. **Cash** means cash or cash equivalents, including, but not limited to, checks, bank deposits, negotiable instruments, or other similar items.

23. **Causes of Action** means any and all of the Estate's and the Debtor's actions, Claims, demands, rights, defenses, counterclaims, cross-claims, suits, causes of action, liabilities, obligations, debts, judgments, remedies, damages, recoupments, setoffs, cross claims, counterclaims, third party claims, indemnity claims, contribution claims, and any other claims, whether known or unknown, foreseen or unforeseen, direct or indirect/derivative, choate or inchoate, in law, equity or otherwise, including but not limited to the right to recover transfers voidable or recoverable under Bankruptcy Code §§ 502, 542, 543, 544, 545, 547, 548, 549, 550, 551, and/or 553, and any and all other claims or rights of any value whatsoever, at law or in equity, against any Creditor or other third party, including, without limitation, the claims specifically noted in Debtor's Schedule B, and any and all claims against any Insiders, members, officers, directors, managers or employees of the Debtor, including any claims for contribution or indemnification for any unauthorized post-petition obligations or transactions and any transaction or obligation incurred by the Debtor not otherwise approved by the Bankruptcy Court; provided, however, that, when used in the Plan, the term Causes of Action does not include any Claims, obligations, suits, judgments, damages, rights, remedies, causes of action, charges, costs, debts, indebtedness, or liabilities released or waived pursuant to the terms of the Plan or by a Final Order of the Bankruptcy Court. A Cause of Action will not under any

circumstances be waived as a result of the failure of the Debtor to describe such Cause of Action with specificity in the Plan or the Disclosure Statement, and nothing in the Plan operates as a release of any of the Causes of Action except as specifically provided in the Plan.

24. **Claim** means, “claim” as defined in Bankruptcy Code § 101(5).

25. **Class** means any Class into which Claims or Interests are classified pursuant to the Plan.

26. **Class 1 Claim, Class 2 Claim, Class 3 Claim**, etc., shall mean the specific Class into which Claims or Interests are classified pursuant to Article II of the Plan.

27. **Code** shall mean the United States Bankruptcy Code, 11 U.S.C. § 101, et seq., and any amendments thereof.

28. **Confirmation** means the process leading to confirmation of the Plan, including the entry of the Confirmation Order pursuant to Bankruptcy Code § 1129.

29. **Confirmation Date** means the date of entry of the Confirmation Order by the Bankruptcy Court on the Court’s docket.

30. **Confirmation Hearing** means the date set by the Bankruptcy Court for the hearing on confirmation of the Plan, as may be continued from time to time.

31. **Confirmation Order** means the Final Order entered by the Bankruptcy Court confirming the Plan in accordance with the provisions of the Bankruptcy Code.

32. **Contingent** means, with reference to a Claim, a Claim that has not accrued or is not otherwise payable and the accrual of which or the obligation to make payment on which is dependent upon a future event that may or may not occur.

33. **Creditor(s)** means “Creditor” as defined in Bankruptcy Code § 101(1).

34. **Debtor** means VIA AIRLINES, INC.

35. **Disallowed** means, when referring to a Claim, a Claim or any portion of a Claim that has been disallowed or expunged by a Final Order of a Court.

36. **Disclosure Statement** means the Disclosure Statement describing the Plan and approved for distribution by the Bankruptcy Court pursuant to Bankruptcy Code § 1125, together with any amendments or modifications thereto.

37. **Disputed Claim** means every Claim or portion thereof, that is not an Allowed Claim and that has not yet been Disallowed.

38. **Disputed Equity Interest** shall mean an Interest in the Debtor which is not an Allowed Interest and which has not been disallowed by a Final Order or the Bankruptcy Court.

39. **Distribution** means a distribution to the Holders of Allowed Claims.

40. **Effective Date** means the date upon which this Plan becomes effective and the Debtor starts making Distributions as set forth in Article VII .

41. **Estate Assets** shall mean all the assets, property and cash of the Debtor, as defined in section 541 of the Code (excluding assets previously distributed, expended or otherwise disposed of by the Debtor prior to the Confirmation Date not otherwise subject to recovery), wherever located or of whatever type or nature, existing as of the Confirmation Date, including, without limitation, the Causes of Action.

42. **Equity Interest** means any and all issued or authorized equity interests, common stock, stock options and warrants in the Debtor.

43. **Executory Contract** means every unexpired lease to which the Debtor is a party, and every other contract that is subject to being assumed or rejected by the Debtor under Bankruptcy Code § 365, pursuant to the Plan or pursuant to separate motion.

44. **Final Decree** means the Bankruptcy Court's final decree pursuant to Bankruptcy

Code § 350(a) and Bankruptcy Rules 3022 and 5009 closing the Bankruptcy Cases after the Estate has been fully administered.

45. **Final Distribution Date** shall mean the date as soon as practicable after the last to occur of: (a) the date that the last Claim becomes an Allowed Claim; or (b) the date upon which all Causes of Action have been liquidated and converted to Cash or abandoned.

46. **Final Order** means an Order or judgment of the Bankruptcy Court that is no longer subject to appeal or *certiorari* proceedings and as to which no appeal or *certiorari* proceeding is pending.

47. **Holder** means the holder of a Claim or Interest, as applicable.

48. **Impaired Class** means any Class whose members are Holders of Claims or Interests that are impaired within the meaning of Bankruptcy Code § 1124.

49. **Insider** means “insider” as defined in Bankruptcy Code § 101(31).

50. **Interest(s)** means an issued or authorized outstanding membership interest, a warrant or warrants for the issuance of such membership interests, or any other equity instruments in the Debtor.

51. **Lien** shall mean any mortgage, lien, charge, security interest, encumbrance, or other security device of any kind affecting any asset or property of the Debtor but only to the extent that such interest is recognized as valid by a court of competent jurisdiction if the validity of scope of such interest is challenged by the Debtor, the Liquidating Trustee, or any other party with standing to bring such challenge.

52. **Litigation Trust** shall mean the Litigation Trust to be established on the Effective Date of the Plan.

53. **Nonordinary Course Administrative Claim** shall mean an Administrative Claim

other than an Ordinary Course Administrative Claim.

54. **Order** shall mean a determination, decree, adjudication or judgment issued or entered by the Bankruptcy Court.

55. **Ordinary Course Administrative Claim** shall mean an Administrative Claim incurred in the ordinary course of business of the Debtor; *provided, however*, that any due and unpaid, post-petition payment in respect of rejected, or to be rejected, executory contracts or unexpired leases shall not be an Ordinary Course Administrative Claim.

56. **Payment** shall mean the Cash to be paid under the Plan to the holders of Allowed Claims.

57. **Person** means “person” as defined in Bankruptcy Code § 101(41).

58. **Personal Property** means all tangible personal property of the Debtor subject to taxation under Florida law.

59. **Petition Date** means October 8, 2019, the date on which Debtor filed its voluntary petition for relief under Chapter 11 of the Bankruptcy Code.

60. **Plan** means this Final Chapter 11 Plan of Reorganization, in accordance with the terms hereof or in accordance with the Bankruptcy Code.

61. **Plan Payments** means payments made by the Debtor pursuant to the terms of the Plan.

62. **Plan Sponsor** means Wexford Capital LP or an affiliate.

63. **Post-Confirmation Fees and Expenses** shall mean the fees and expenses of the liquidating trust including any fees and expenses of the liquidating trustee and any professionals employed by the liquidating trust.

64. **Prepetition** means the period of time preceding the Petition Date and concluding on

the Petition Date.

65. **Priority Claim** means an Unsecured Claim, other than an Administrative Claim, to the extent such Unsecured Claim is entitled to priority in payment under Bankruptcy Code § 507.

66. **Priority Tax Claim** means every Unsecured Claim or portion thereof that is entitled to priority pursuant to Bankruptcy Code § 507(a)(8).

67. **Priority Unsecured Claim** means every Unsecured Claim or portion thereof that is not an Administrative Claim or a Priority Tax Claim, and that is entitled to priority under any applicable provision of Bankruptcy Code § 507.

68. **Pro Rata** means proportionate, and when applied to a Claim means the ratio of the consideration distributed on account of an Allowed Claim in a Class to the amount of consideration distributed on account of all Allowed Claims in such Class.

69. **Professional** means: (i) any professional retained by the Debtor in the Bankruptcy Case pursuant to an order of the Bankruptcy Court in accordance with Bankruptcy Code §§ 327 or 1103; (ii) any attorney or accountant seeking compensation or reimbursement of expenses pursuant to Bankruptcy Code § 503(b); and (iii) any entity whose fees and expenses are subject to approval by the Bankruptcy Court as reasonable pursuant to Bankruptcy Code § 1129(a)(4).

70. **Professional Fees** means the Administrative Claims for compensation and reimbursement submitted pursuant to Bankruptcy Code §§ 328, 330, 331, or 503(b) of Professionals (i) employed pursuant to an order of the Bankruptcy Court under Bankruptcy Code §§ 327 or 328; or (ii) for whom compensation and reimbursement has been allowed by the Bankruptcy Court pursuant to Bankruptcy Code § 503(b) or by other Final Order.

71. **Proof of Claim** means the form filed in the Bankruptcy Court by a Creditor on which the specifics of a Claim are set forth as required by the Bankruptcy Code and the Bankruptcy

Rules.

72. .

73. **Property of the Estate** means “property of the estate” as defined in Bankruptcy Code § 541.

74. **Reorganized Debtor** shall mean the Debtor upon entry of the Confirmation Order.

75. **Rule** or **Rules** shall mean the Federal Rules of Bankruptcy Procedure, as supplemented by the Local Bankruptcy Rules as adopted by the Bankruptcy Court.

76. **Schedules** means the schedules of assets and liabilities and any amendments thereto filed by the Debtor with the Bankruptcy Court in accordance with Bankruptcy Code § 521(1).

77. **Secured Claim** means a Claim secured by a Lien against the Debtor’s Assets, or any part thereof, to the extent of the value of any interest in such Assets securing such Claim, which Lien is valid, perfected, and enforceable pursuant to applicable law or by reason of a Bankruptcy Court order, or to the extent of the amount of such Claim subject to setoff in accordance with Bankruptcy Code § 553, in either case as determined pursuant to Bankruptcy Code § 506(a).

78. **Security Interest** means “security interest” as defined in Bankruptcy Code § 101(51).

79. **Unclaimed Property** shall mean any cash, or any other Property of the Debtor unclaimed for a period of six (6) months after any Distribution or, in the event that the Distribution was made on the Final Distribution Date, six (6) months after the Final Distribution Date.

80. **Unimpaired Class** means any Class the members of which are the holders of Claims or Interests, which are not impaired within the meaning of Bankruptcy Code § 1124.

81. **Unsecured Claim** means every Claim or portion thereof, regardless of the priority of such Claim, which is not a Secured Claim.

82. **United States Trustee** shall have the meaning ascribed to it in 28 U.S.C. § 581, *et. Seq.* and, as used in the Plan, means the office of the United States Trustee for Region 21 located in the Middle District of Florida, Orlando, Florida.

ARTICLE II – CLASSIFICATION OF CLAIMS AND INTERESTS

All Claims and Interests treated under Articles IV of the Plan are divided into the following classes, which shall be mutually exclusive:

A. Class 1 – Allowed Secured Claim of Bank of America, N.A.

Class 1 consists of the Allowed Secured Claim of Bank of America, N.A. The Class 1 Claim is secured by a first priority lien on the Debtor’s Personal Property. Class 1 is Impaired.

B. Class 2 – Allowed Secured Claim of IberiaBank.

Class 2 consists of the Allowed Secured Claim of IberiaBank. The Class 2 Claim is secured by a second priority lien on the Debtor’s Personal Property. Class 2 is Impaired.

C. Class 2(a) – Allowed Secured Claim of West Virginia State Tax Department.

Class 2(a) consists of the Allowed Secured Claim of the West Virginia State Tax Department. The Class 2(a) Claim is secured by an alleged statutory lien on Property of the Estate located in the State of West Virginia. Class 2(a) is Impaired.

D. Class 2(b) – Allowed Secured Claim of Department of Treasury – Internal Revenue Service.

Class 2(b) consists of the Allowed Secured Claim of the Department of Treasury – Internal Revenue Service. The Class 2(b) Claim is secured by a statutory lien on the Debtor’s Personal Property. Class 2(b) is Impaired.

E. Class 2(c) – Allowed Secured Claim of Precision Aviation Group, Inc.

Class 2(c) consists of the Allowed Secured Claim of Precision Aviation Group, Inc. (“Precision”), which Claim is secured by a possessory lien on aircraft parts owned by the Debtor.

Class 2(c) is Impaired.

F. Class 3 – General Unsecured Claims.

Class 3 consists of the all Allowed Unsecured Claims in the Debtor's Bankruptcy Case. Class 3 is Impaired.

G. Class 4 – Equity Interests.

Class 4 consists of the Equity Interests in the Debtor. Class 4 is Impaired.

ARTICLE III – ADMINISTRATIVE CLAIMS AND PRIORITY CLAIMS.

A. Administrative Claims.

In full and final satisfaction, settlement, release and discharge of each Allowed Administrative Claim, Holders of an Allowed Administrative Claim shall be paid in full on the Effective Date, or upon such other terms as may be agreed upon by the holder of the claim, the Debtor and the Plan Sponsor, or, if the Claim does not become Allowed prior to the Effective Date, on the date the Allowed Amount of such claim is determined by Final Order of the Bankruptcy Court. The Allowed Administrative Claims shall be paid from the Administrative Claim Reserve, cash on hand or through pre-petition retainers. Debtor estimates Administrative Claims to be approximately \$185,000.00, before deducting pre-petition and post-petition retainers, and accounting for administrative fee reductions agreed to by Debtor's counsel and the Sanford Airport Authority.

B. Priority Claims.

1. Allowed Priority Tax Claims.

Except to the extent that the Holder, the Debtor, and the Plan Sponsor have agreed or may agree to a different treatment, in full satisfaction of each Priority Tax Claim, each Holder of an Allowed Priority Tax Claim shall receive, in full satisfaction of such Claim, payments equal to the Allowed Amount of such Claim. Allowed Priority Tax Claims shall be paid in full by

the Plan Sponsor: (i) on the Effective Date; (ii) on such dates as a respective Priority Tax Claim becomes Allowed; or (iii) in the event the Allowed Priority Tax Claims exceed \$25,000.00 (in the aggregate), in the Plan Sponsor's sole discretion, equal payments over a five (5) year period sufficient to satisfy the full amount of Allowed Priority Tax Claims from the Petition Date. .

2. Allowed Priority Claims.

Except to the extent that the Holder and the Debtor have agreed or may agree to different treatment, in full satisfaction of each Priority Claims, exclusive of Priority Tax Claims under 11 U.S.C. § 507(a)(8), each Holder of an Allowed Priority Claim shall have the option to receive: (i) a distribution on account of 50% of their Allowed Priority Claim in full and final satisfaction of their respective claim within thirty (30) days of the Effective Date; or (ii) 100% of their respective Allowed Priority Claim paid over a five (5) year period from the Petition Date. The anticipated amount of potential Allowed Priority Claims is \$414,118.33. Each holder of an Allowed Priority Claim shall notify the Plan Sponsor of its selected treatment under Option (i) or (ii) above on or before the Effective Date. Payments required under this section will commence within thirty days following the Effective Date. .

3. United States Trustee Fees.

All fees required to be paid by 28 U.S.C. § 1930(a)(6) (U.S. Trustee Fees) will accrue and be timely paid by the Debtor until the case is closed, dismissed, or converted to another chapter of the Code. Any U.S. Trustee Fees owed on or before the Effective Date will be paid when due in the ordinary course.

ARTICLE IV – TREATMENT OF IMPAIRED CLASSES.

A. Determination of Allowed Amounts.

Treatment prescribed for Claims and Interests in the following sections of this Article

IV shall in all events refer exclusively to the Allowed Amount of each respective Claim. In the event the Allowed Amount of any Claim is not determined by agreement or otherwise prior to the Effective Date, then the treatment prescribed shall be deemed effective as of the date of the determination of such Claim by agreement or Final Order or as otherwise provided under the Plan. Notwithstanding Confirmation of the Plan, the Debtor, the Plan Sponsor, the Reorganized Debtor and the Trustee reserve the right to object to any Claim (other than Claims deemed in the Plan to be Allowed Claims) for any reason authorized by applicable bankruptcy and non-bankruptcy law, as well as the right to assert that any such Claim includes amounts subject to equitable subordination or other equitable relief.

Entry of the Confirmation Order shall be deemed to be recognition that the Bankruptcy Court expressly retains jurisdiction as to determination of all such issues pursuant to Article VII, Section H, of this Plan, and other applicable law.

There are four (4) Classes of Claims and Interests. Treatment for these classes is as follows:

B. Secured Claims.

1. Class 1 – Allowed Secured Claim of Bank of America, N.A.

Class 1 consists of the Allowed Secured Claim of Bank of America, N.A. (“BOA”). The Class 1 Claim is secured by a first priority lien on the Debtor’s Personal Property. In full satisfaction of its Class 1 Allowed Secured Claim, BOA shall receive one of the following options: (1) receipt of the collateral securing BOA’s Class 1 Secured Claim as the indubitable equivalent of its Claim; or (2) a lump sum payment of \$100,000.00 paid on the Effective Date. Under either option, the maximum Distribution to the Class 1 Claimholder shall be equal to the total amount of the Class 1 Claim, and BOA shall not receive Personal Property of a monetary

Distribution in an amount greater than the amount of its Allowed Secured Claim. Boa shall inform Debtor of its election to receive treatment under Option (1) or Option (2) concurrently with the submission of its Ballot accepting or rejecting the Plan. Class 1 is Impaired. .

2. Class 2 – Allowed Secured Claim of IberiaBank.

Class 2 consists of the Allowed Secured Claim of IberiaBank (“Iberia”). The Class 2 Claim is secured by a second priority lien on the Debtor’s Personal Property. In satisfaction of its Allowed Class 2 Claim, Iberia shall retain its lien on the Debtor’s Personal Property to the same extent, validity and priority as existed on the Petition Date, and shall receive stay relief to pursue its in rem rights with respect to the Personal Property securing its Class 2 Claim. In addition, Iberia’s Allowed Class 2 Claim shall be entitled to treatment in accordance with the terms and conditions of Class 3, and Iberia’s Allowed Class 3 Unsecured Claim shall be reduced dollar-for-dollar to the extent of any recovery from the sale of any Personal Property securing its Allowed Class 2 Claim. Class 2 is Impaired. .

Class 2(a) – Allowed Secured Claim of West Virginia State Tax Department.

Class 2(a) consists of the Allowed Secured Claim of West Virginia State Tax Department (“WV Tax”), which claim is secured by an alleged statutory lien on Property of the Estate located in the State of West Virginia. In full satisfaction of its Allowed Class 2(a) Claim, WV Tax shall retain its lien on the Property of the Estate located in the State of West Virginia to the same extent, validity and priority as existed on the Petition Date, and shall receive the proceeds from the sale of the Property of the Estate located in the State of West Virginia, and/or to the extent the Allowed Class 2(a) Secured Claim is also an Allowed Priority Tax Claim, the Class 2(a) Claim shall be paid consistent with all other Allowed Priority Tax Claims. Class 2(a) is Impaired.

Class 2(b) – Allowed Secured Claim of the Department of Treasury – Internal

Revenue Service.

Class 2(b) consists of the Allowed Secured Claim of the Department of the Treasury – Internal Revenue Service (“IRS”) in the amount of \$166,819.15 as set forth in Class 10-4. In full satisfaction of its Allowed Class 2(b) Claim, the IRS shall receive equal monthly payments over a period ending not later than five (5) years after the Petition Date. The IRS shall retain a lien on the Debtor’s Personal Property after the Effective Date. Payments shall commence on the Effective Date. Class 2(b) is Impaired.

Class 2(c) – Allowed Secured Claim of Precision Aviation Group, Inc.

Class 2(c) consists of the Allowed Secured Claim of Precision Aviation Group, Inc. (“Precision”), which Claim is secured by a possessory lien on aircraft parts owned by the Debtor. In full satisfaction of its Allowed Class 2(c) Claim, Precision shall retain its possessory lien on the aircraft parts owned by the Debtor to the same extent, validity and priority as of the Petition Date, and shall receive stay relief to pursue its in rem rights with respect to the Personal Property securing its Allowed Class 2(c) Claim. Class 2(c) is Impaired. Notwithstanding any other Provision of this Plan, the Reorganized Debtor expressly reserves and shall have the right to assert claims against Precision and otherwise object to the Class 2(c) Claim.

C. Unsecured Claims.

1. Class 3 – Allowed General Unsecured Claims.

Class 3 consists of all Allowed General Unsecured Claims. In full satisfaction of their Allowed Class 3 Claims, Class 3 Holders shall become beneficiaries of the Litigation Trust and shall receive, on the later of: (i) the Effective Date; (ii) the date all Claim Objections are resolved; or (iii) the date all Causes of Action are fully resolved by Final Order of the Bankruptcy

Court, 100% of the net proceeds recovered by the Litigation Trust, paid pro rata, after all costs and expenses of the Litigation Trust, including without limitation, the costs and expenses of the Trustee and counsel to the Litigation Trust, if any. Such asset of the Litigation Trust includes the \$50,000.00 lump sum payment made to the Litigation Trust on the Effective Date. The maximum Distribution to Class 3 Claimholders shall be equal to the total amount of the Class 3 Claims, and no Class 3 Holder shall receive an amount greater than the amount of its Allowed Unsecured Claim. Class 3 is Impaired. .

D. Equity Interests.

1. Class 4 – Equity Interests in the Debtor.

Class 4 consists of all ownership interests currently issued or authorized in the Debtor. On the Effective Date, all currently issued and outstanding Equity Interests in the Debtor shall be extinguished and 100% of the Interests in the Reorganized Debtor shall be vested in the Plan Sponsor, or its designated affiliate, in return for the Plan Consideration provided by the Plan Sponsor. Class 4 is Impaired.

ARTICLE V – UNEXPIRED LEASES AND EXECUTORY CONTRACTS.

A. Assumption or Rejection of Unexpired Leases and Executory Contracts.

To the extent the Debtor rejects any executory contract or unexpired lease prior to the Confirmation Date, any party asserting a Claim pursuant to Section 365 of the Code arising from the rejection of an executory contract or lease shall file a proof of such Claim within thirty (30) days after the entry of an Order rejecting such contract or lease. Allowed Claims resulting from rejection shall be Class 3 General Unsecured Claims, except as otherwise provided herein. The Debtor shall have until the completion of the hearing on Confirmation to assume or reject any unexpired lease or

executory contract. In the event any such unexpired lease or executory contract is not assumed (or subject to a pending motion to assume) by such date, the Plan Sponsor shall have until thirty (30) days after the Confirmation Date to file a notice with the Bankruptcy Court designating which unexpired leases and/or executory contracts will be assumed by the Reorganized Debtor and a proposed cure amount for such unexpired leases and/or executory contracts (the “Assumption Designation Date”). Counterparties to unexpired leases and executory contracts that are designated for assumption by the Assumption Designation Date shall have twenty (20) days from the Assumption Designation Date to object to the assumption and/or proposed cure amount set forth in the Plan Sponsor’s/Reorganized Debtor’s notice (the “Assumption Objection Deadline”). Any unexpired leases and/or executory contracts that are not subject to a timely filed objection shall be deemed assumed by the Reorganized Debtor, with the cure amount set forth in the Plan Sponsor’s/Reorganized Debtor’s notice. Any unexpired leases and/or executory contracts that are not designated for assumption prior to the Assumption Designation Date shall be deemed rejected as of the Confirmation Date. The Debtor’s position is that the executory contracts listed on the Schedule of Executory Contracts filed pursuant to Rule 1007 are the only executory contracts to which the Debtor was a party as of the Petition Date. The Assumption Designation Date may be extended as to any unexpired lease or executory contract by agreement of the Plan Sponsor and the counterparty to such unexpired lease or executory contract.

ARTICLE VI – MEANS OF IMPLEMENTATION.

A. Plan Consideration provided by the Plan Sponsor.

The Plan will be implemented utilizing funding provided by the Plan Sponsor. Pursuant to the terms of an agreement reached with the Debtor, the Plan Sponsor will provide plan consideration (subject to satisfaction of certain conditions precedent to confirmation of the Plan and

the occurrence of the Effective Date) as follows: (1) forgiveness of the amounts drawn on the DIP Facility; (2) cash sufficient to pay the Allowed Administrative Claims up to the amount of the Administrative Claim Reserve and all Allowed Priority Claims in full (subject to the Plan Sponsor's right to pay certain Allowed Priority Claims over a period not to exceed 5 years from the Petition Date as permitted under the Bankruptcy Code and subject to the Allowed Priority Tax Claim of the Internal Revenue Service not exceeding \$166,819.15; (3) funding of the Class 1 Payment, if elected by BOA, (4) a grant in the amount of \$50,000.00 to the Litigation Trust on the Effective Date (the "Exit Grant"); (5) additional cash not to exceed \$1.5 million to pay the Debtor's/reorganized Debtor's costs and expenses in connection with the recertification of its FAA Part 121 Certificate (collectively the "Plan Consideration"). The Plan Consideration provided by the Plan Sponsor will be distributed in accordance with the terms of the Plan. Prior to the confirmation hearing on the Plan, the Plan Sponsor shall deposit \$185,000.00 for the payment of Allowed Administrative Expense Claims with the Debtor's Counsel (Latham Luna Eden & Beaudine, LLP) to be held pending confirmation of the Plan but paid on the Effective Date (the "Administrative Claim Reserve"). If the Plan is confirmed and the Effective Date occurs, the Administrative Claim Reserve shall be disbursed to the Debtor for the purpose of satisfying all Allowed Administrative Claims. To the extent the Administrative Claim Reserve exceeds the Allowed Administrative Claim, such funds shall be returned to the Plan Sponsor. The Plan Sponsor shall not be required to fund any amounts over and above the Administrative Claim Reserve for the purpose of funding Allowed Administrative Claims under the Plan. .

B. The Litigation Trust.

The Plan contemplates that, upon entry of the Confirmation Order, a Litigation Trust will be formed, which will be funded by the Exit Grant. The Litigation Trust shall prosecute any

Causes of Action the Debtor may have, and shall distribute the net proceeds, after payment of Post-Confirmation Fees and Expenses, recovered from the Causes of Action in accordance with the terms of the Plan.

The Litigation Trust shall be overseen by an oversight board which shall initially be comprised of three representatives of the holders of Allowed Class 3 Claims as selected by the majority of the allowed amounts of the Allowed Class 3 Claimholders (the “Oversight Board”), and a trustee (the “Trustee”) who will be appointed by the Oversight Board, who may be removed for good cause, upon notice and hearing and after order by the Bankruptcy Court. Irit Vizer, Amos (Ami) Vizer, and any entity owned by or in which Mr. or Mrs. Vizer have an interest, shall only be permitted to collectively occupy a maximum of one (1) seat on the Oversight Board if appointed by the holders of Allowed Class 3 Claims. To the extent the Trustee has a conflict of interest with respect to any duty owed to the Litigation Trust, which conflict is raised by the Oversight Board or any Allowed Class 3 Claimholder, the remaining Oversight Board members shall elect a conflict Trustee to prosecute or investigate any cause s of action or objections to claims as a result of Trustee’s conflict of interest. On the date all Causes of Action are fully resolve by Final Order of the Bankruptcy Court, and after all Payments required to be made by the Litigation Trust are completed, the Oversight Board and Trustee shall have no further obligations under the Plan and shall dissolve the Litigation Trust Relinquish all powers and authority.

If at any time the Class 3 Claims are paid in full, the remaining members of the Oversight Board shall be deemed to have resigned and replaced with members appointed by the Reorganized Debtor. All members of the Oversight Board shall be fiduciaries for the beneficial owners of interests in the Litigation Trust.

The Litigation Trust shall make Payments and Distributions as follows:

- First, to pay the costs and expenses incurred by the Litigation Trust, including

without limitation, the costs and expenses of the Trustee and counsel to the Litigation Trust, each of whose compensation shall be on a contingency basis;

- Second, to make Distributions to Class 3 Creditors as provided in the Plan; and
- Third, to the Reorganized Debtor.

C. Court Approval.

Although full operational control of the Litigation Trust will be vested in the Oversight Board and the Trustee, the Trustee will be required to file and serve notice of any compromise or settlement of any Causes of Action to (i) the Office of the United States Trustee and (ii) any party who provides notice that it wishes to be notified of the actions of the Litigation Trust contemplated herein (“Post Confirmation Notice”). If no objections are filed to a Post Confirmation Notice after fourteen (14) days, the proposed settlement or compromise shall be deemed approved. If an objection is filed to a proposed settlement or compromise, the Court shall conduct a hearing to determine whether such settlement or compromise should be approved. A request to receive Post Confirmation Notice shall be filed with the Court and served on the Reorganized Debtor, and the Trustee. The Litigation Trust via the Trustee may retain professionals on such terms as the Trustee deems reasonable, without Bankruptcy Court approval and payments to the professionals for Post-Confirmation Fees and Expenses shall be made only upon fifteen (15) days’ notice to the Oversight Board (the “Post-Confirmation Fee Statement”). If the Oversight Board objects to any Post-Confirmation Fees and Expenses, it must file an objection with the Bankruptcy Court within fifteen (15) of receipt of the Post-Confirmation Fee Statement.

D. Operations of the Litigation Trust.

The Trustee shall have full and complete authority to perform all acts, execute all documents and make all payments and disbursements of funds directed to be done, executed, performed, paid and disbursed by the provisions of the Plan on behalf of the Litigation Trust.

The Trustee shall prepare monthly reports regarding Payments and Distributions made by the Litigation Trust and recoveries obtained from Causes of Action, which reports shall be filed with the Bankruptcy Court and served on the Reorganized Debtor.

The Trustee shall keep an accounting of receipts and disbursements, which shall be open to inspection and review by the Court and creditors of the Debtor (upon reasonable notice, and without unduly interfering with the operations of the Trustee). The Trustee shall provide copies of quarterly reports to creditors who request same in writing and shall be responsible for payment of all U.S. Trustee fees.

No recourse shall ever be had, directly or indirectly, against the Trustee, his officers or directors, or any employee of the Trustee, by legal or equitable proceedings or by virtue of any statute or otherwise, or any deed of trust, mortgage, pledge, note, nor upon any promise, contract, instrument, undertaking, obligation, covenant or agreement whatsoever executed by the Trustee under the Plan or by reason of the creation of any indebtedness by the Trustee under this Plan for any purpose authorized by the Plan, it being expressly understood and agreed that all such liabilities, covenants, and agreements of the Trustee, its officers, directors and employees, whether in writing or otherwise, under this Plan shall be enforceable only against, and be satisfied only out of, the Trust Assets, or such part thereof as shall, under the terms of any such agreement, be liable therefor or shall be evidence only of a right of payment out of the income, proceeds and avails of the Trust Assets, as the case may be; every undertaking, contract, covenant, or agreement entered into in writing by the Trustee shall provide expressly against the personal liability of the Trustee.

The Trustee shall not be liable for any act he may do or omit to do hereunder while acting in good faith and in the exercise of his best judgment, and the fact that such act or omission was advised, directed or approved by an attorney acting as attorney for the Trustee, shall be

conclusive evidence of such good faith and best judgment. However, this paragraph shall not apply to any gross negligence or willful misconduct by the Trustee or his agents, officers and employees; and nothing in this paragraph abrogates the Trustee's obligation to comply with the Internal Revenue Code. .

E. Management and Control and Operation of the Reorganized Debtor.

The operations of the Reorganized Debtor will be managed by an executive team consisting of the following Directors and Officers:

Directors:

Arthur Amron – (General Counsel – Wexford Capital, LP)

Amos (Ami) Vizer – (Prior Chairman of the Board of Via Airlines, Inc.)

Wayne Heller – (Chief Executive Officer – Sterling Flight Training and former Executive Vice-President and Chief Operating Officer for Republic Airways Holdings)

Officers:

Wayne Heller – (President)

Andre Jakubowski – (Vice-President, Assistant Secretary)

Arthur Amron – (Vice-President, Assistant Secretary)

It is contemplated that after confirmation of the Plan, Mr. Vizer shall be retained by the Reorganized Debtor. Mr. Vizer's compensation has not been finalized, however, the amount of said compensation shall not exceed what Mr. Vizer received from the Debtor prior to the Petition Date.

F. Procedures For Resolving Disputed Claims.

1. Prosecution of Objections to Claims.

Unless otherwise ordered by the Bankruptcy Court after notice and a hearing,

and except as otherwise provided in the Plan, the Debtor, the Trustee or Reorganized Debtor as the case may be, shall have the exclusive right (but not the obligation) to make and file objections to all Claims.

Pursuant to the Plan, unless another time is set by order of the Bankruptcy Court, all objections to Claims shall be filed with the Bankruptcy Court and served upon the Holders of each of the Claims to which objections are made within 90 days after the Effective Date.

Except as may be specifically set forth in the Plan, nothing in the Plan, the Disclosure Statement, the Confirmation Order, or any order in aid of Confirmation, shall constitute, or be deemed to constitute, a waiver or release of any claim, cause of action, right of setoff, or other legal or equitable defense that either Debtor had immediately prior to the commencement of the Bankruptcy Cases against or with respect to any Claim or Equity Interest, with the exception of claims against any creditor who holds a stipulated and Allowed Claim under the Plan. Except as set forth in the Plan, upon Confirmation the Litigation Trust shall have, retain, reserve and be entitled to assert all such claims, Causes of Action, rights of setoff and other legal or equitable defenses that the Debtor had immediately prior to the commencement of the Bankruptcy Case as if the Bankruptcy Case had not been commenced.

2. Estimation of Claims.

Pursuant to the Plan, the Debtor may, at any time, request that the Bankruptcy Court estimate any contingent, disputed, or unliquidated Claim pursuant to § 502(c) of the Code, regardless of whether the Debtor has previously objected to such Claim or whether the Bankruptcy Court has ruled on any such objection; and the Bankruptcy Court will retain jurisdiction to estimate any Claim at any time during litigation concerning any objection to any Claim, including during the

pendency of any appeal relating to any such objection. In the event the Bankruptcy Court estimates any contingent, disputed, or unliquidated Claim, that estimated amount will constitute either the Allowed Amount of such Claim or a maximum limitation on such Claim, as determined by the Bankruptcy Court. If the estimated amount constitutes a maximum limitation on such Claim, the Debtor may elect to pursue any supplemental proceedings to object to any ultimate payment on such Claim.

3. Cumulative Remedies.

In accordance with the Plan, all of the aforementioned Claims objections, estimation, and resolution procedures are cumulative and not necessarily exclusive of one another. Claims may be estimated and subsequently compromised, settled, withdrawn or resolved by any mechanism approved by the Bankruptcy Court. Until such time as an Administrative Claim, Claim, or Equity Interest becomes an Allowed Claim, such Claim shall be treated as a Disputed Administrative Claim, Disputed Claim, or Disputed Equity Interest for purposes related to allocations, distributions, and voting under the Plan.

4. Payments and Distributions on Disputed Claims.

As and when authorized by a Final Order, Disputed Claims that become Allowed Claims shall be paid such that the Holder of such Allowed Claim receives all payments and distributions to which such Holder is entitled under the Plan in order to bring payments to the affected Claimants current with the other participants in the particular Class in question. Except as otherwise provided in the Plan, no partial payments and no partial distributions will be made with respect to a Disputed Claim until the resolution of such dispute by settlement or Final Order. Unless otherwise specifically provided in the Plan, a Creditor who holds both an Allowed Claim and a

Disputed Claim will not receive a distribution until such dispute is resolved by settlement or Final Order.

5. Allowance of Claims and Interests.

(i) Disallowance of Claims.

According to the Plan, all Claims held by entities against whom the Debtor has obtained a Final Order establishing liability for a Cause of Action under §§ 542, 543, 522(f), 522(h), 544, 545, 547, 548, 549, or 550 of the Code shall be deemed disallowed pursuant to § 502(d) of the Code, and Holders of such Claims may not vote to accept or reject the Plan, both consequences to be in effect until such time as such causes of action against that entity have been settled or resolved by a Final Order and all sums due the Litigation Trust by that Entity are turned over to the Litigation Trust.

(ii) Allowance of Claims.

Except as expressly provided in the Plan, no Claim or Equity Interest shall be deemed Allowed by virtue of the Plan, Confirmation, or any Order of the Bankruptcy Court in the Bankruptcy Cases, unless and until such Claim or Equity Interest is deemed Allowed under the Code or the Bankruptcy Court enters a Final Order in the Bankruptcy Cases allowing such Claim or Equity Interest

6. Controversy Concerning Impairment.

If a controversy arises as to whether any Claims or Equity Interests or any Class of Claims or Equity Interests are Impaired under the Plan, the Bankruptcy Court, after notice and a hearing, shall determine such controversy before the Confirmation Date. If such controversy is not resolved prior to the Effective Date, the Debtor's interpretation of the Plan shall govern.

ARTICLE VII – MISCELLANEOUS.

A. Authority to Effectuate the Plan.

Upon the entry of the Confirmation Order by the Bankruptcy Court, the Plan provides that all matters provided for under the Plan will be deemed to be authorized and approved without further approval from the Bankruptcy Court. The Confirmation Order will act as an order modifying the Debtor's by-laws, if so required, such that the provisions of this Plan can be effectuated. The Reorganized Debtor or Trustee, as the case may be, shall be authorized, without further application to or order of the Bankruptcy Court, to take whatever action is necessary to achieve consummation and carry out the Plan.

B. Post-Confirmation Status Report.

Pursuant to the Plan, within 90 days of the entry of the Confirmation Order, the Trustee will file a status report with the Bankruptcy Court attaching a detailed accounting of all payments made under the Plan and explaining what progress has been made toward consummation of the confirmed Plan. The status report will be served on the United States Trustee, and those parties who have requested special notice post-confirmation. The Bankruptcy Court may schedule subsequent status conferences in its discretion.

C. Preservation, Prosecution, and Defense of Causes of Action.

Except as set forth herein, upon Confirmation, the Litigation Trust shall have, retain, reserve and be entitled to assert all such claims, Causes of Action, including all pending adversary proceedings, whether or not such causes of action have been commenced as of the Effective Date, and shall be substituted as the real party-in-interest in any such actions commenced by or against the Debtor, the Bankruptcy Estate, or the Committee. The Litigation Trust shall

prosecute or defend, as appropriate, such actions through final judgment, any appeals deemed necessary and appropriate by the Litigation Trust and collection; provided, however, that the Trustee shall be authorized at any point in any litigation (a) to enter into such settlements as the Litigation Trust deems to be in the best interest of creditors, subject to Bankruptcy Court approval after notice and a hearing in accordance with Bankruptcy Rule 9019; or (b) to abandon, dismiss and/or decide not to prosecute any such litigation if the Litigation Trust deems such action to be in the best interest of creditors without Bankruptcy Court or other approval.

D. Conditions to Effectiveness.

The Effective Date shall not occur until the later of the entry of the Confirmation Order by the Bankruptcy Court in form and content acceptable to the Debtor and the Plan Sponsor and after the expiration of the appeal period with respect to the Confirmation Order without the filing of a notice of appeal of such Order; ; *provided, however*, that, if an appeal of the Confirmation Order is filed but no stay is granted in connection with the appeal, the Debtor may in writing elect to permit the Effective Date to occur notwithstanding the pendency of the appeal. Provided the conditions set forth herein have been met, the Effective Date shall automatically occur without further order of the Bankruptcy Court.

E. Police Power.

Nothing in this Article VII shall be deemed to effect, impair, or restrict any federal or state governmental unit from pursuing its police or regulatory enforcement action against any person or entity, other than to recover monetary claims against the Debtor for any act, omission, or event occurring prior to the Confirmation Date to the extent such monetary claims are discharged pursuant to § 1141 of the Code. .

F. Revocation and Withdrawal of this Plan.

The Debtor reserves the right to withdraw this Plan and Disclosure Statement at any time before entry of the Confirmation Order. If (i) the Debtor revokes and withdraws this Plan, (ii) the Confirmation Order is not entered, (iii) the Effective Date does not occur, (iv) this Plan is not substantially consummated, or (v) the Confirmation Order is reversed or revoked, then this Plan shall be deemed null and void.

G. Modification of Plan.

The Debtor may seek to amend or modify the Plan in accordance with § 1127(b) of the Code to remedy any defect or omission or reconcile any inconsistency in the Plan in such manner as may be necessary to carry out the purpose and intent of this Plan.

On or before substantial consummation of the Plan, the Debtor may issue, execute, deliver, or file with the Bankruptcy Court, or record any agreements and other documents, and take any action as may be necessary or appropriate to effectuate, consummate and further evidence the terms and conditions of the Plan.

H. Retention of Jurisdiction.

After the Effective Date, the Reorganized Debtor and the Litigation Trust will be free to perform all functions assigned to it herein without approval of the Bankruptcy Court, except as specifically set forth herein. The itemization below is in no way meant to limit, restrict, or circumscribe the inherent jurisdictional authority of the Bankruptcy Court. Nothing in the Plan shall constitute a waiver by the United States of its rights to assert that the Bankruptcy Court lacks jurisdiction over any matter set forth in Article VII of the Plan. Confirmation of the Plan acts as consent of the parties to agree to the Bankruptcy Court's ability to enter binding final judgments and

rulings as the Bankruptcy Court will continue to retain jurisdiction in this Bankruptcy Case to determine or take the following actions::

1. All objections to the allowance of Claims and Interests and the compromise of Claims;
2. All applications for allowance of compensation and reimbursement of out-of-pocket expenses of professionals retained in Debtor's case by Order of the Bankruptcy Court to the extent that such compensation and out-of-pocket expenses relate to services performed before the Confirmation Date; provided, however, that fees of professionals for services rendered after the Effective Date may be paid by the Litigation Trust pursuant to Article VI, section D(2) of the Plan.
3. Any adversary proceedings or contested matters brought by the Debtor or the Liquidating Trustee (the "Causes of Action"), the proceedings then pending or thereafter brought pursuant to §§ 544, 545, 547, 548, 549, and 550 of the Code, or other proceedings calculated to generate payments to Holders of Allowed Class 3 Claims;
4. All controversies and disputes arising under or in connection with the Plan;
5. The enforcement and interpretation of the provisions of the Plan;
6. To issue such orders in aid of execution and consummation of the Plan as may be necessary and appropriate;
7. Any motion to modify the Plan in accordance with Code § 1127, or to correct any defect, cure any omission, or reconcile any inconsistency in the Plan, Disclosure Statement, or any Confirmation Order as may be necessary to carry out the purposes of the Plan;
8. All Claims arising from the rejection of any executory contract or lease;
9. Such other matters as may be provided for in the Code or the Plan;

10. To protect the Property of the Estate from adverse claims or interference inconsistent with the Plan;

11. To ensure that Distributions are accomplished as provided herein and to resolve any dispute concerning the right of any person to a Distribution hereunder, applicable law or under a contract or agreement; and

12. To hear and determine any action or controversy by or against the Liquidating Trust.

I. Headings.

Article, Section, and Paragraph headings used herein are for convenience only and shall not affect the interpretation or construction of any provision of this Plan.

J. Confirmation Without Acceptance by all Impaired Classes: "Cramdown."

The Code contains provisions that enable the Bankruptcy Court to confirm the Plan, even though the Plan has not been accepted by all Impaired Classes, provided that the Plan has been accepted by at least one Impaired Class of Claims. Section 1129(b)(1) of the Code states:

Notwithstanding section 510(a) of this title, if all of the applicable requirements of subsection (a) of this section other than paragraph (8) are met with respect to a plan, the court, on request of the proponent of the plan, shall confirm the plan notwithstanding the requirements of such paragraph if the plan does not discriminate unfairly, and is fair and equitable, with respect to each class of claims or interests that is impaired under, and has not accepted, the plan.

This section makes clear that the Plan may be confirmed, notwithstanding the failure of an Impaired Class to accept the Plan, so long as the Plan does not discriminate unfairly, and it is fair and equitable with respect to each Class of Claims that is Impaired under, and has not accepted, the Plan.

**THE DEBTOR BELIEVES THAT, IF NECESSARY, IT WILL
BE ABLE TO MEET THE STATUTORY STANDARDS SET
FORTH IN THE CODE WITH RESPECT TO THE**

**NONCONSENSUAL CONFIRMATION OF THE PLAN AND
WILL SEEK SUCH RELIEF.**

K. Notices.

All notices required or permitted to be made in accordance with the Plan shall be in writing and shall be delivered personally or by facsimile transmission or mailed by United States Mail to the following:

Debtor:

Via Airlines, Inc.
111 S. Maitland Avenue
Maitland, Florida 32751
C11@flyviaair.com

Counsel for the Debtor:

Justin M. Luna, Esquire
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United States Trustee:

George C. Young Federal Building
400 West Washington Street, Suite 1100
Orlando, Florida 32801

L. Manner of Payment.

Any payment of Cash made under this Plan may be made either by check drawn on an account of the Plan Sponsor, the Debtor, the Reorganized Debtor or the Litigation Trust, by wire transfer, or by automated clearing house transfer from a domestic bank, at the option of the respective payor.

M. Compliance with Tax Requirements.

In connection with this Plan, to the extent applicable, the Liquidating Trustee in making Distributions shall comply with all tax withholding and reporting requirements imposed on it by any governmental unit, and all Distributions pursuant to this Plan shall be subject to such withholding and reporting requirements. The Liquidating Trustee may withhold the entire Distribution due to any holder of an Allowed Claim until such time as such holder provides to the Liquidating Trustee, the necessary information to comply with any withholding requirements of any governmental unit. Any property so withheld will then be paid by the Liquidating Trustee to the appropriate authority. If the Holder of an Allowed Claim fails to provide to the Liquidating Trustee the information necessary to comply with any withholding requirements of any governmental unit within six months after the date of first notification by the Liquidating Trustee to the holder of the need for such information or for the Cash necessary to comply with any applicable withholding requirements, then the Holder's Distribution shall be treated as an undeliverable distribution in accordance with the below. The payment of all taxes on all Distributions shall be the sole responsibility of the distributee.

N. Transmittal of Distributions to Parties Entitled Thereto.

All Distributions by check shall be deemed made at the time such check is duly deposited in the United States mail, postage prepaid. All Distributions by wire transfer shall be deemed made as of the date the Federal Reserve or other wire transfer is made. Except as otherwise agreed with the holder of an Allowed Claim in respect thereof or as provided in this Plan, any property to be distributed on account of an Allowed Claim shall be distributed by mail upon compliance by the Holder with the provisions of this Plan to (i) its address set forth in its proof of claim, (ii) the latest mailing address filed for the holder of an Allowed Claim entitled to a distribution, (iii) the latest mailing address filed for a holder of a filed power of attorney designated by the Holder of such Allowed Claim to receive distributions, (iv) the latest mailing address filed for the Holder's transferee as identified in a filed notice served on the Debtor pursuant to Bankruptcy Rule 3001(e), or (v) if no such mailing address has been filed, the mailing address reflected on the Schedules or in the Debtor's books and records.

O. Distribution of Unclaimed Property.

Except as otherwise provided in this Plan, any property (Cash or otherwise) to be distributed under this Plan that is unclaimed after six months following the relevant distribution date shall be forfeited, and such distribution, together with all interest earned thereon, shall become an Asset to be distributed and conveyed to Holders of Class 4 Claims in accordance with the provisions of this Plan. However, checks issued by the Liquidating Trustee with respect to Allowed Class 4 Claims will be null and void if not cashed within sixty days of the date of issuance and such unclaimed distribution shall vest with the Middle District of Florida Bankruptcy *Pro Se* Clinic. Requests for re-issuance of any such check shall be made in writing to the Liquidating Trustee by the Holder of the Claim with respect to the check originally issued.

P. Transfer Taxes.

Pursuant to Section 1146(a) of the Bankruptcy Code, the issuance, distribution, transfer or exchange of any security or the making, delivery, or recording of any instrument of transfer pursuant to, in implementation of, or as contemplated by the Plan or any Plan Document, or any transaction arising out of, contemplated by, or in any way related to the foregoing, shall not be subject to any document recording tax, stamp tax, conveyance fee, intangible or similar tax, mortgage tax, stamp act, real estate transfer tax, mortgage recording tax, Uniform Commercial Code filing or recording fee, or other similar tax or governmental assessment, and the appropriate state or local government officials or agents shall be, and hereby are, directed to forego the collection of any such tax or governmental assessment and to accept for filing and recording any of the foregoing instruments or other documents without the payment of any such tax or governmental assessment.

Q. Setoff and Recoupment Rights of the United States.

Nothing in the Plan or the Confirmation Order shall enjoin, release, impair or otherwise preclude the United States from (i) exercising any rights of setoff or recoupment; and/or (ii) pursuing any claim of the United States arising on or after the Confirmation Date.

RESPECTFULLY SUBMITTED this 2nd day of July, 2020 in Orlando, Florida.

/s/ Daniel A. Velasquez

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