

**UNITED STATES BANKRUPTCY COURT
DISTRICT OF DELAWARE**

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In re	:	Chapter 11
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WESTERN GLOBAL AIRLINES, INC., et al.,	:	Case No. 23– _____ ()
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Debtors.¹	:	(Joint Administration Requested)
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**DECLARATION OF ROBERT A. DEL GENIO IN SUPPORT
OF DEBTORS’ CHAPTER 11 PETITIONS AND FIRST-DAY PLEADINGS**

I, Robert A. Del Genio, pursuant to 28 U.S.C. § 1746, hereby declare under penalty of perjury that the following is true and correct to the best of my knowledge, information, and belief:

1. I am a Senior Managing Director at FTI Consulting, Inc. (“FTI”) and concurrently serve as the Co-Chief Restructuring Officer of Western Global Airlines, Inc. and its debtor subsidiaries in the above-captioned chapter 11 cases (the “**Chapter 11 Cases**”), as debtors and debtors-in-possession (collectively, the “**Debtors**” and, together with their non-debtor affiliate, the “**Company**” or “**Western Global**”). In this capacity, I am familiar with the Debtors’ day-to-day operations, books and records, business and financial affairs, and the circumstances leading to the commencement of these Chapter 11 Cases.

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, are: Western Global Airlines, Inc. (9265); Keldann Air LLC (6103); Jimsunn Air LLC (4789); B26344 LLC (2769); B26356 LLC (6221); M48411 LLC (3014); M48412 LLC (4041); M48415 LLC (8455); M48435 LLC (1643); M48512 LLC (5395); M48513 LLC (4817); M48542 LLC (5799); M48543 LLC (0630); M48544 LLC (5332); M48545 LLC (4459); M48546 LLC (6344); M48581 LLC (N/A); Mobility Air, LLC (3651); and NCF680C2 LLC (9966). The Debtors’ principal offices are located at 9260 Estero Park Commons Blvd., Suite 200, Estero, FL 33928.

2. I joined FTI when it acquired CDG Group, a financial advisory firm I co-founded. Before that, I was a corporate finance partner and a national director at Ernst & Young. I have more than 40 years of experience in restructuring and mergers and acquisitions and have advised companies, lenders, creditors, corporate boards, and equity sponsors across a diverse range of industries both domestically and internationally. I hold a B.B.A. with high honors from the University of Notre Dame and a Master of Management from the Kellogg Graduate School of Management at Northwestern University. I am a fellow of the American College of Bankruptcy.

3. I have advised companies, lenders, and investors both in and outside of chapter 11 in a variety of complex restructuring engagements. I acted as the financial advisor to Waypoint Leasing Holdings Ltd., TPC Group, Inc., GNC Holdings Inc., Catalina Marketing Corporation, Frontier Communications Corporation, OSG Group Holding, Inc., Altera Infrastructure, LP, ESSAR Steel, Algoma Steel Inc., Reichhold Holdings US, Inc., Milacron, Inc., Carastar Industries, Inc., MicroAge, Inc., CST Industries, Dan River, Inc., Wheeling-Pittsburgh Steel Corp., US Internetworking, Factory Card Outlet, Malden Mills, and Metal Forming Technologies during their chapter 11 cases. I also served as the Chief Restructuring Officer or Strategic Planning Officer of the following entities during their chapter 11 proceedings: Voyager Aviation Holdings, LLC, CHC Group Ltd., RHI Entertainment, Inc., The Weinstein Company Holdings LLC, PHI, Inc., and F&W Media. I previously served as the Chief Strategic Officer of Production Resources Group, currently serve on the board of directors of Panavision, Inc. after having served as an interim Chief Executive Officer, and have previously served on the boards of CHC Group Ltd., Washington Group International, Inc., Lazare Kaplan International, Inc., and Buffets, Inc. As relevant to the assertions and conclusions set forth herein, my 40 years of restructuring experience includes liquidity review and cash forecasting, working capital

management, chapter 11 planning and administration and assisting companies with first day and other matters necessary to avoid any unnecessary disruption of their businesses and to protect value as companies transition into their roles as chapter 11 debtors-in-possession.

4. On the date hereof (the “**Petition Date**”), the Debtors commenced with this Court (the “**Bankruptcy Court**”) voluntary cases under chapter 11 of title 11 of the United States Code (the “**Bankruptcy Code**”). Except as otherwise indicated herein, the facts set forth in this Declaration are based upon my personal knowledge, my review of relevant documents and the Debtors’ books and records, information provided to me by the Debtors, or advisors to the Debtors, or my opinion based upon my experience, knowledge, and information concerning the Debtors. If called upon to testify, I would testify competently to the facts set forth in this Declaration.

5. I submit this Declaration to apprise the Bankruptcy Court and parties in interest of the circumstances that compelled the commencement of these Chapter 11 Cases and in support of the motions and applications that the Debtors have filed with the Bankruptcy Court, including the “first-day pleadings” (the “**First-Day Pleadings**”).²

6. This Declaration is divided into five sections:

- (a) Section I provides an overview of the Debtors and these Chapter 11 Cases;
- (b) Section II describes the Debtors’ business, its history, and its current operations;
- (c) Section III summarizes the Debtors’ corporate and capital structures;
- (d) Section IV describes the circumstances that led to the commencement of these Chapter 11 Cases; and

² Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to such terms in the respective First-Day Pleadings.

- (e) Section V provides a summary of the First-Day Pleadings, the factual bases for the relief requested therein, and other information related to these Chapter 11 Cases.

7. The Debtors have requested various relief in the First-Day Pleadings to ensure uninterrupted business operations throughout the Chapter 11 Cases. I am familiar with the contents of each First-Day Pleading, and I believe the relief sought therein is necessary to enable the Debtors to effectuate a seamless transition into and out of these Chapter 11 Cases. I further believe that the relief requested in the First-Day Pleadings will preserve the value of the Debtors' estates and therefore maximize value for all parties in interest.

PRELIMINARY STATEMENT

8. Western Global is a privately held company founded in 2013 on a vision to create a leading low-cost modern air cargo company using the fundamental building blocks learned over decades of experience, hands on management, a dedicated and skilled workforce committed to the Company's growth, and safe and reliable services that offer flexibility and responsiveness to customer needs which direct competitors could not—and would not—provide. Under the stewardship of its founder and Chief Executive Officer, James (Jim) K. Neff (the "**Majority Shareholder**"), Western Global navigated a niche market and outperformed in peak years by executing on an articulated vision and capitalizing on long-term relationships with key customers. Since its founding and until the unforeseen industry-wide challenges that began to materialize in late 2022, Western Global delivered profitable operating results every year.

9. Faced with the unyielding and rapidly mounting macro-economic headwinds that plagued the entire air cargo transportation sector starting in late 2022, Western Global spent the past several months diligently exploring potential value-maximizing transactions. As discussed in greater detail below, Western Global expended exhaustive efforts to stave off a bankruptcy filing and position itself to continue as a going concern enterprise. Indeed, Western

Global earnestly sought to achieve an out-of-court solution to its balance sheet and operational restructuring needs by conducting multiple robust marketing processes to locate a strategic partner, obtain new capital investment, or improve liquidity through the sale of surplus assets. Multiple avenues were pursued to obtain financing to fulfill their commitments and extend a high-pressured timeline with the hope that the unprecedented confluence of negative market conditions that began to materialize in late 2022 would cease and the Company could solve its rapidly deteriorating liquidity position. The various strategic processes yielded, at best, negligible interest from external parties to invest in the Company as a going concern.

10. Every request by Western Global to third parties to provide a lifeline and source of capital to continue operating was either unanswered, rejected, or countered with an offer of minimal financing to be provided in a bankruptcy proceeding and/or for select assets, but not the infrastructure. The tenor of Western Global's options changed when the Majority Shareholder agreed to purchase the company's senior secured debt through an independent competitive process conducted by the Initial Secured Lenders (as defined below) in late June 2023. As a result of the Majority Shareholder's debt purchase, which came on the heels of being informed by the Initial Secured Lenders' advisors that preparation for Western Global's liquidation would commence within 24 hours, Western Global received immediate relief from various restrictive financial covenants and obtained critical liquidity. The liquidity infusions were used to pay critical expenses related to Company's operations, while providing the runway necessary for Western Global, the Majority Shareholder, and an ad hoc group of holders of over 85% of the outstanding Unsecured Notes and certain institutional investors (the "**Ad Hoc Group**" or the "**Ad Hoc Group of DIP Lenders and Certain Creditors**") to agree on the terms of a plan of reorganization that are the bedrock of these Chapter 11 Cases and avoid a free fall into chapter 11.

11. The principal terms of the agreement reached with the Majority Shareholder and the Ad Hoc Group of DIP Lenders and Certain Creditors, after extensive arms-length and good faith negotiations, are memorialized in the Restructuring Support Agreement, annexed hereto as **Exhibit B** (the “**Restructuring Support Agreement**”). The Restructuring Support Agreement achieves many of the goals Western Global sought from the outset of its restructuring efforts, including deleveraging the balance sheet by 86% of the prepetition amount, partnering with new investors, and being positioned to have the ability to continue its commitment to and share the economic benefits of ownership with its employees. Western Global’s proposed partnership with the Ad Hoc Group reflects the shared view of its promising future.

12. These Chapter 11 Cases are predicated on the belief that Western Global is more valuable as a going concern, that it has a legacy and work force worth preserving, and that chapter 11 can afford the Company the best opportunity for an effective restructuring. To effectuate an orderly restructuring that maximizes the value of the assets, it is imperative that Western Global move expeditiously through these Chapter 11 Cases and utilize the liquidity available to it to restructure. Western Global commenced these cases with \$77.3 million of committed DIP financing (the “**DIP Facility**”) but time is of the essence and Western Global believes that all constituents—including, among others, lenders, unsecured noteholders, customers, trade vendors, and employees—will benefit significantly from this chapter 11 proceeding over any other alternative and, as a result, must maintain the timeline presented to maximize value for all stakeholders. All stakeholders should be aligned to achieve the same goal of maximizing value for the estates, minimizing the liquidity burn, and exiting chapter 11 as expeditiously as possible. For these Chapter 11 Cases to be a true success, Western Global requires

the cooperation of its stakeholders to minimize both the negative impact on the Company's business and the cost of administering these Chapter 11 Cases.

I. OVERVIEW

13. Western Global is an experienced long-haul cargo airline certificated by the Federal Aviation Authority (“FAA”), the U.S. Department of Transportation (“DOT”), and the U.S. Department of Defense (“DOD”). For the last decade, Western Global has provided air cargo services to various customers across the world and achieved a superior track record in terms of safety and performance. Unfortunately, like other cargo airlines and companies in the air cargo industry, from late 2022 through the eve of this bankruptcy filing, Western Global has been severely impacted by an unprecedented and unforeseen combination of negative macroeconomic and industry factors. Such challenges include, among others, a sharp decline in international trade, a substantial decrease in exports from China, high fuel prices, the return of lower deck or “belly” capacity on passenger airlines, pilot and mechanic attrition, and customer contract cancellations due to softening demand in the air cargo industry. Western Global was particularly harmed by these events because three of its major international customers were forced to suspend their long-term contracts with the Company in late 2022 and early 2023 due to the unanticipated resurgence of COVID-19 in China which caused them to lose customers. These unforeseen factors have caused Western Global's liquidity to decrease to unsustainable levels and Western Global now finds itself unable to satisfy its debt obligations and key operating expenses.

14. In late 2022, when the headwinds in the air cargo market were initially materializing, Western Global began engaging with its stakeholders to address its financial position. Over the course of subsequent months, Western Global engaged a number of advisors to assist with its restructuring efforts, including Weil, Gotshal & Manges LLP (“Weil”), Evercore Group L.L.C. (“Evercore”), FTI, and Seabury International Corporate Finance LLC. In addition,

on March 7, 2023, Western Global Airlines, Inc. appointed a new independent director, Hooman Yazhari, an industry and restructuring expert, to its board of directors (the “**Board**”) to oversee Western Global’s restructuring process and evaluate and negotiate various strategic and value-maximizing alternatives.

15. Western Global, with the assistance of its advisors and the Board, worked to, among other things, (i) carefully manage liquidity, (ii) evaluate various strategic alternatives for its capital structure, and (iii) develop a comprehensive business plan capable of attracting a new money investment that would secure the long-term viability of the business (the “**Initial Business Plan**”). The Initial Business Plan developed by the Company contemplated a third party investing new capital in a reorganized Western Global with a fleet comprised solely of 747 freighters following a period of transition. 747s are currently the most prevalent large long haul freighters in operation and, as such, Western Global could more easily and cost-effectively secure pilots and mechanics than for MD-11s, which comprise the majority of the Company’s fleet today. Western Global’s efforts to attract new capital and reorganize out of court under the Initial Business Plan did not result in any restructuring proposals.

16. As the Company’s liquidity rapidly declined and efforts to secure new and material sources of revenue were unfruitful, the Company pivoted to exploring potential options to restructure through a chapter 11 filing. Western Global approached its Initial Secured Lenders about providing a debtor-in-possession (“**DIP**”) loan to finance the Company’s restructuring process. The immediate feedback received from the Initial Secured Lenders was that they would not allow any DIP financing, in any amount, that primed their liens and that they did not believe the Company should continue as a going concern. The Initial Secured Lenders requested the Company provide a liquidating budget. On or about June 12, 2023, the Initial Secured Lenders

also informed the Company that, notwithstanding the Company's efforts to refinance their secured debt, they were conducting an auction process of their own and, consistent with their repeated requests to the Majority Shareholder since December 2022, invited the Majority Shareholder to make an offer to purchase the Secured Loans (as defined below). Notwithstanding a forecast showing that the Debtors would not have sufficient funds to operate (including making critical payments such as employee payroll and fuel expenses) by the end of June 2023, the Initial Secured Lenders remained noncommittal on providing any assistance for Western Global to meet its funding needs.

17. On the precipice of a liquidity event, the Debtors continued to engage with the Initial Secured Lenders despite their negative position on funding any reorganization process and the Debtors also concurrently continued efforts to locate a third party that would, at minimum, fund a chapter 11 process to an auction where value could be maximized for the benefit of all stakeholders. Prior to the Petition Date, the Debtors received certain preliminary and non-binding proposals from certain third parties in connection with potential transactions; however, such proposals required any funding provided during the chapter 11 cases to be senior or *pari passu* to the Initial Secured Lenders' debt or, alternatively, have junior priority with concessions from the Initial Secured Lenders. The Initial Secured Lenders did not agree to priming or any of the requested concessions. Furthermore, the proposals received did not contemplate continuing to operate Western Global as a going concern, but rather an intention to liquidate the Company.

18. On June 29, 2023, following the Initial Secured Lenders stating that, absent purchase of their debt, they would seek to immediately commence planning for the liquidation of Western Global, DKB Partners LLC ("**DKB Partners**"), an affiliate of the Majority Shareholder, agreed to purchase the outstanding Secured Loans from the Initial Secured Lenders on an "as is"

basis. The Company's lending conditions immediately improved following the purchase. Concurrently, the Company, the Majority Shareholder and the Ad Hoc Group of DIP Lenders and Certain Creditors began discussions to determine whether they could agree on modifications to the Initial Business Plan that would engender support from the Ad Hoc Group.

19. Following discussions regarding various modifications to the Initial Business Plan, the Debtors, the Majority Shareholder, and the Ad Hoc Group of DIP Lenders and Certain Creditors engaged in extensive arms-length negotiations regarding the terms of a potential restructuring transaction to be implemented pursuant to a chapter 11 plan. In the days prior to the Petition Date, the parties were able to reach an agreement on the material terms of restructuring transaction, as memorialized in the Restructuring Support Agreement.

20. In accordance with the Restructuring Support Agreement, the Debtors expect to administer these Chapter 11 Cases on an expedited timeline to preserve and maximize the going-concern value of their estates. The Restructuring Support Agreement reflects, among other things, the mutual pursuit by the Debtors and their key economic stakeholders of the following timeline for these Chapter 11 Cases (subject to the Court's availability):

Milestone	Restructuring Support Agreement and DIP Milestones
Petition Date	August 7, 2023
Entry of Interim DIP Order	3 calendar days from Petition Date (August 10, 2023)
File Pleadings for TCC Dispute	5 business days from Petition Date (August 14, 2023)
File Plan and Disclosure Statement	15 calendar days from Petition Date (August 22, 2023)
Entry of Final DIP Order	35 calendar days from Petition Date (September 11, 2023)
Entry of Disclosure Statement Order	55 calendar days from Petition Date (October 1, 2023)
Entry of TCC Order	60 calendar days from Petition Date (October 6, 2023)

Milestone	Restructuring Support Agreement and DIP Milestones
Entry of Confirmation Order	95 calendar days from Petition Date (November 10, 2023)
Effective Date	109 calendar days from Petition Date (November 24, 2023)

21. The nature of the Debtors' assets, including their certificates and licenses, maintenance requirements of engines and airframes, and the ability to contract with new and existing customers, requires an expedient chapter 11 process to preserve value. The proposed timeline for these Chapter 11 Cases appropriately balances the Debtors' need to complete their restructuring process generally and their need to effectuate a comprehensive restructuring that will right-size their balance sheet, continue to provide employee ownership through an employee stock ownership plan or otherwise, and optimize operations.

II. THE DEBTORS' BUSINESS

A. Corporate History

22. Western Global, an experienced provider of long-haul air cargo transportation services, was founded on March 6, 2013 by Jim Neff. Following its founding, Western Global received its DOT certification in February 2014. In addition, Western Global received FAA approval for operating the MD-11F in August 2014 and the Boeing 747-400F in November 2015. The Company's FAA-121 certification authorizes the Company to fly commercial cargo flights in the United States and around the world. Following receipt of FAA approval, Western Global formally began operations in 2014. In May 2016, Western Global received approval from the DOD to begin providing services as part of the Civil Reserve Air Fleet. Western Global experienced significant growth and much success since becoming certified by the FAA/DOT in 2014 and DOD in 2016. By October 2020, WGA operated to 395 different airports in 135 countries on six continents for many of the world's leading express companies, airlines, forwarders, and e-commerce platforms. In 2021 and 2022, Western Global generated

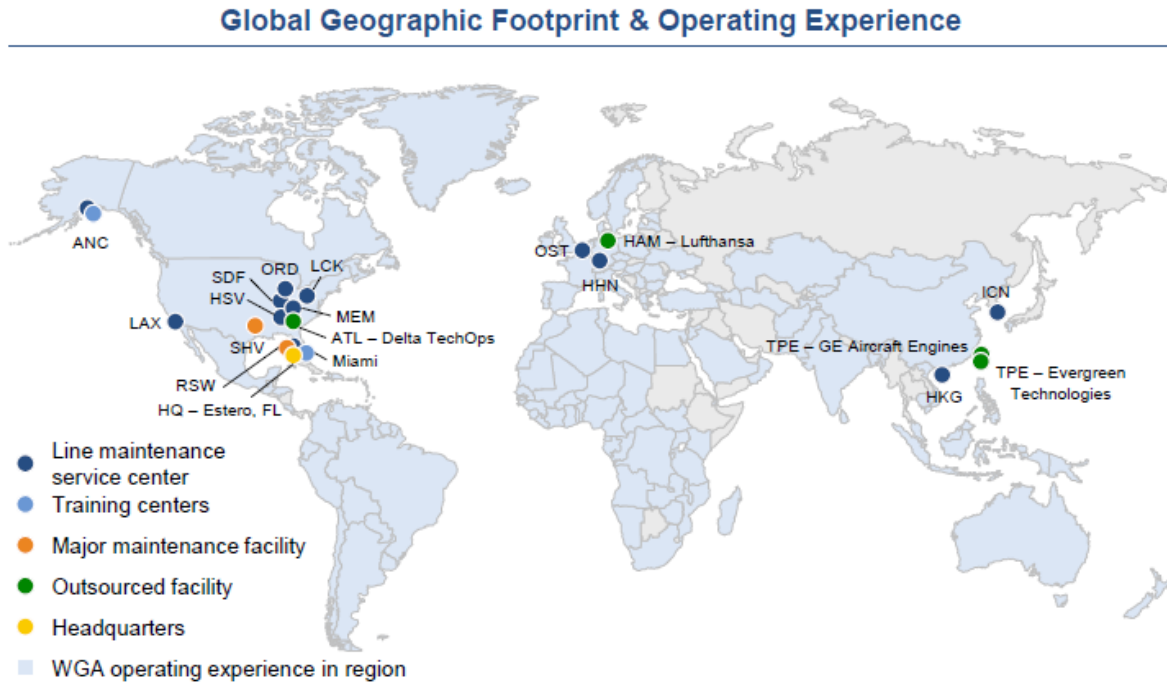
approximately \$386 million and \$427 million of gross revenue, respectively, and approximately \$179 million and \$100 million of EBITDA, respectively.

23. Western Global's significant growth since its founding was in large part due to capitalizing on the expansion in global trade, including e-commerce, as one of the few international all-cargo airlines that fly large, long-haul wide body freighters. To date, Western Global has flown to over 400 cities, 135 countries and six continents and has recorded over 150,000 cumulative flight hours. In addition, Western Global has served nearly 50 customers since 2018, the majority of which became repeat customers.

B. Assets and Operations

24. As of the Petition Date, the Debtors collectively employ 291 full-time employees paid on a salaried basis and 61 employees paid on an hourly basis, including 121 pilots and 80 mechanics. Western Global's staff and flight operations are positioned around the world to facilitate global operations for its customers. In connection with its operations, Western Global leases a 160,000 square foot maintenance, repair and overhaul ("MRO") facility in Shreveport, Louisiana and a 20,000 square foot engine repair facility in Fort Myers, Florida that Western Global uses to perform maintenance and checks on its aircraft and other equipment. Western Global also utilizes, as needed, 12 strategically located line maintenance service centers across the

world. Western Global's worldwide geographic footprint and operating experience is set forth in the following map:



25. For the first seven years of its existence, Western Global, like many other airlines, did not own any of the freighter aircraft it operated or any of the engines. The airline was party to leasing arrangements with an affiliate of the Majority Shareholder and it obtained ownership of the majority of the assets held as of the Petition Date solely as a result of the transaction establishing the ESOP (as defined below). As of the Petition Date, Western Global owns and operates a fleet of large, wide body cargo aircraft, including 15 McDonnell Douglas MD-11Fs, three Boeing 747-400DCFs, and one Boeing 747-400F. The Company owns all of the aircraft in its fleet, except for one Boeing 747-400F which is leased from an entity controlled by the Majority Shareholder. As of the Petition Date, Western Global also owns 10 spare MD-11 airframes, two spare 747 airframes, 13 spare MD-11 engines, and five spare 747 engines. Western Global utilizes its fleet to provide air cargo transportation services to governmental and

commercial customers under aircraft, crew, maintenance, and insurance contracts (“**ACMI Contracts**”) and full-service charter contracts (“**Full Service Charter Contracts**”). Both types of contracts can be long or short term in duration.

26. The Debtors’ fleet and operational network support two primary lines of business: (i) governmental air cargo transportation services and (ii) commercial air cargo transportation services.

i. *Governmental Air Cargo Transportation Services*

27. Western Global provides air cargo transportation services to the United States Government through participation in the Civil Reserve Air Fleet, a program in which commercial air carriers pledge aircraft to the DOD for times of national emergency in exchange for government airlift contracts in times of peace. The government places participants in the Civil Reserve Air Fleet into one or more “segments” based on the characteristics and capability of the participant’s fleet. Civil Reserve Air Fleet participants typically form cooperative teams with other commercial air carriers to diversify fleet characteristics and capabilities and pool mobilization value points, which allows them to bid on government contracts more efficiently and effectively. The Debtors belong to the “Patriot Team” as a Core Member. The Debtors generate revenue from government services through the fulfillment of missions. The number of missions awarded to the Patriot Team depends on the amount of mobilization value points credited to the team under its contract with the United States Transportation Command (the “USTC”), which directly corresponds to the total number and type of aircraft the Patriot Team has committed to the Civil Reserve Air Fleet program. Missions awarded to the Patriot Team under the USTC contract are allocated to individual team members in accordance with an allocation agreement among the Patriot Team members.

28. Participation in the Civil Reserve Air Fleet accounted for approximately 21.4% of the Debtors' revenue for the twelve months ended May 31, 2023.

ii. *Commercial Air Cargo Transportation Services*

29. Western Global also provides air cargo transportation services to a variety of commercial customers, including some of the world's leading airlines, freight forwarders, logistics companies, e-commerce companies, and humanitarian organizations. The Debtors offer commercial services pursuant to ACMI Contracts, in which the Debtors provide the customer with an aircraft and crew, and cover the cost of maintaining and insuring the aircraft, in exchange for a fee paid for each "block hour" of service provided to the customer.

30. The Debtors also offer commercial services under Full Service Charter Contracts, in which the Debtors provide the customer with an aircraft and crew, and cover not only the cost of maintenance and insurance, but also all other necessary operating costs, including fuel, in exchange for an increased fee. Customers often prepay the Debtors for the services Western Global renders under ACMI Contracts and Full Service Charter Contracts.

31. Commercial air cargo transportation services accounted for approximately 78.6% of the Debtors' revenue for the twelve months ended May 31, 2023.

C. *Status of Labor Union Discussions*

32. On January 4, 2021, the services of the National Mediation Board were invoked by the Air Line Pilots Association, International ("**ALPA**") to investigate and determine who may represent Western Global's pilots under the Railway Labor Act. Following a vote conducted by National Mediation Board, on April 6, 2021, ALPA was designated and authorized to represent the pilots. Western Global and ALPA are in the process of negotiating the terms of a collective bargaining agreement.

D. Employee Stock Ownership Plan

33. Western Global's intention since its founding was to foster a company culture that reflected an investment in employees. In furtherance of providing Western Global's employees and eligible employee beneficiaries with an incremental benefit to the then existing employee benefits, such as the existing 401(k) with Company match, in early 2020, Western Global began to explore implementing a companywide employee stock ownership plan. Western Global established the Western Global Airlines, Inc. Employee Stock Ownership Plan (the "**ESOP**"),³ effective as of June 6, 2020.

34. To facilitate the formation of the ESOP, a committee composed of Western Global's senior management (excluding the Majority Shareholder) was formed to consider the appointment of a trustee for the ESOP (the "**Trustee Selection Committee**"). The Trustee Selection Committee selected an independent third party trustee and ERISA fiduciary, Miguel Paredes (the "**ESOP Trustee**"), to serve as trustee of the trust to be established under the ESOP. The ESOP Trustee's duties include and included, among other things, forming the ESOP in accordance with ERISA, negotiating the terms and conditions of the transaction involving the purchase of certain stock for the ESOP, and acting solely in the interests of the ESOP Participants. In furtherance of performing his duties, the ESOP Trustee and his operating company, Prudent Fiduciary Services, LLC, engaged certain independent advisors, including Marcum LLP, as the

³ The ESOP is an "employee pension benefit plan" as defined in Section 3(2) of the Employee Retirement Income Security Act of 1974, as amended ("**ERISA**"). The ESOP also is qualified under Section 401(a) of the Internal Revenue Code and the trust formed to hold the assets of the ESOP is exempt from taxation under Section 501(a) of the Internal Revenue Code of 1986, as amended.

ESOP's financial advisor and independent appraiser to perform valuation and financial advisory related services, and Holland and Knight LLP, as the ESOP's independent legal counsel.⁴

III. CORPORATE AND CAPITAL STRUCTURE

A. Corporate Structure

35. The parent company of the Debtors is Western Global Airlines Holdings, Inc. (“**Holdings**”), a Delaware corporation. The equity interests in Holdings are held as follows: (i) James K. Neff Revocable Trust dated November 15, 2012 owns approximately 19.2%, (ii) Carmit P. Neff Revocable Trust dated November 15, 2012 owns approximately 18.3%, (iii) Kelly S. Neff Trust dated January 1, 2010 owns approximately 9.4%, (iv) Danielle J. Neff Trust dated January 1, 2010 owns approximately 9.4%, (v) WGA Trust dated August 16, 2013 owns approximately 6.2%, (vi) James K. Neff and Carmit P. Neff, as joint tenants with rights of survivorship, own approximately .002%, and (vii) Miguel Paredes, not in his individual capacity, but solely in his capacity as ESOP Trustee, owns approximately 37.5%.

36. Holdings owns 100% of the equity of Western Global Airlines Inc., a Delaware corporation, which directly or indirectly owns 100% of the equity of the remaining Debtors. Each direct and indirect Debtor subsidiary of Western Global Airlines, Inc. is a Delaware limited liability company except for Mobility Air LLC, which is a Florida limited liability company. A chart setting forth the Debtors' corporate structure as of the Petition Date is attached hereto as **Exhibit A**.

⁴ There is a pending putative class action, initially commenced in December 2021 in the U.S. District Court for the Central District of California on behalf of participants in the ESOP and later consolidated and re-filed in the U.S. District Court of Delaware on February 28, 2022. The case is entitled *Burnett, et al. v. Prudent Fiduciary Services LLC, et al.*, Case No. 1:22-cv-00270 (D. Del.). None of the Debtors are party to the litigation and it is currently stayed pending appeal.

B. Directors and Officers

37. The Board of Holdings has three members, led by Jim Neff, Chairman of the Board. The Board members are:

<u>Name</u>	<u>Position</u>
James Neff	Chairman
Carmit Neff	Director
Hooman Yazhari	Independent Director

38. The following individuals are the officers of Western Global:

<u>Name</u>	<u>Position</u>
James Neff	President and CEO
Carmit Neff	Chief Innovation Officer
Marc Sullivan	CFO
Robert Del Genio	Co-Chief Restructuring Officer
Tim McDonagh	Co-Chief Restructuring Officer

C. Capital Structure

39. As of the Petition Date, the Debtors had outstanding funded debt obligations in the aggregate principal amount of approximately \$560.6 million. The Debtors' funded debt obligations are summarized below.

<u>Debt Instrument</u>	<u>Outstanding Principal (\$ millions)</u>
Credit Facilities	
<i>Revolving Credit Facility</i>	47.5
<i>Term Loan Facility</i>	93.7
Finance Leases	1
Total Secured Debt	\$ 142.2
Unsecured Notes	400
Subordinated Promissory Notes	18.4
Total Funded Debt	\$ 560.6

40. Credit Facilities. Western Global Airlines, Inc. entered into that certain *Revolving Credit and Term Loan Agreement*, dated as of September 14, 2020 (as amended, restated, amended and restated, or supplemented from time to time, the “**Credit Agreement**” and the loans issued thereunder, the “**Secured Loans**”), by and among Western Global Airlines, Inc.,

as borrower, Western Global Airlines Holdings, Inc., as Holdings, Truist Bank, in its capacity as administrative agent (“**Truist**”), and the other lenders party thereto (collectively, the “**Initial Secured Lenders**”), pursuant to which the Initial Secured Lenders agreed to provide Western Global with (i) a revolving credit facility in an aggregate principal amount equal to \$47,500,000 (the “**Revolving Credit Facility**”) and (ii) a term loan facility in an aggregate principal amount equal to \$80,000,000 (the “**Term Loan Facility**” and together with the Revolving Credit Facility, the “**Credit Facilities**”).

41. Each of Holdings, Western Global Airlines, Inc., and each of its subsidiaries granted a security interest in all or substantially all of its assets to secure Western Global Airlines, Inc.’s obligations under the Credit Agreement. In addition, 100% of the equity of Western Global Airlines, Inc. and each of its subsidiaries was pledged to the Initial Secured Lenders to secure Western Global Airlines, Inc.’s obligations under the Credit Agreement.

42. As previously noted herein, on June 29, 2023, the Initial Secured Lenders sold the Secured Loans to DKB Partners, an affiliate controlled by the Majority Shareholder. Subsequent to the sale, Western Global and DKB Partners entered into amendments to the Credit Agreement to provide for the funding of incremental senior bridge term loans in the aggregate principal amount of approximately \$25,669,711.

43. The Revolving Credit Facility and the Term Loan Facility mature on February 15, 2025⁵ and August 15, 2025,⁶ respectively. As of the Petition Date, the aggregate

⁵ The Revolving Credit Facility is subject to a “Springing” maturity date on August 15, 2025 if certain conditions under the Credit Agreement are satisfied.

⁶ The Term Loan Facility is subject to a “Springing” maturity date on February 16, 2025 if certain conditions under the Credit Agreement are satisfied.

principal amounts outstanding under the Revolving Credit Facility and the Term Loan Facility are approximately \$47,500,000 and approximately \$93,669,711, respectively.

44. Unsecured Notes. Western Global Airlines, Inc. issued senior unsecured notes in the aggregate principal amount of \$400 million (the “**Unsecured Notes**” and the holders thereof, the “**Unsecured Noteholders**”) pursuant to the terms and conditions of that certain *Indenture*, dated as of August 21, 2020 (as amended, restated, or supplemented from time to time, the “**Indenture**”), by and among Western Global Airlines, Inc., as issuer, the guarantors party thereto, and U.S. Bank Trust Company, National Association (as successor to U.S. Bank National Association), as trustee (the “**Bond Trustee**”). The Unsecured Notes accrue interest at a rate of 10.375% and mature on August 15, 2025.

45. Subordinated Promissory Notes. On June 16, 2020, two wholly owned subsidiaries of Western Global Airlines, Inc. issued unsecured subordinated promissory notes (the “**Subordinated Notes**”) to various trusts controlled by the Majority Shareholder in the aggregate principal amount of approximately \$18.4 million. The Subordinated Notes accrue interest at rate of 0.43%, annually, payable in-kind, and mature on June 15, 2027. The following table sets forth the issuer, holder and outstanding principal amount of the Subordinated Notes:

Issuer of Subordinated Notes	Holder of Subordinated Notes	Outstanding Principal
JIMSUNN Air LLC	Carmit P. Neff Revocable Trust dated November 15, 2012	\$8,266,540.90
JIMSUNN Air LLC	James K. Neff Revocable Trust dated November 15, 2012	\$8,266,540.90
KELDANN Air LLC	Kelly S. Neff Trust dated January 1, 2010	\$949,143.44
KELDANN Air LLC	Danielle J. Neff Trust dated January 1, 2010	\$949,143.44
KELDANN Air LLC	James K. Neff and Carmit P. Neff	\$1,900.43
Total Outstanding Principal		\$18,433,269.11

**IV. CIRCUMSTANCES LEADING TO
COMMENCEMENT OF THESE CHAPTER 11 CASES**

A. Operational and Financial Challenges

46. Prior to the COVID-19 pandemic, Western Global had a track record of financial success in terms of growth, revenue generation, and earnings since operations began in 2014. For example, in 2018, after only four years of operations, Western Global's annual gross revenue was approximately \$252 million and EBITDA was approximately \$107 million. Early in the pandemic, the Company's success was severely disrupted by reduced demand, governmental shutdowns, operational restrictions and supply chain shortages. Later on, the pandemic resulted in an expansion of the e-commerce market and elimination of belly capacity on passenger airplanes, causing demand for airlines that specialize in air cargo transportation to spike. These factors allowed Western Global's revenue to grow substantially. For the year 2020, Western Global's annual gross revenue was approximately \$373 million and EBITDA was approximately \$197 million. Western Global's revenues continued to grow in 2021.

47. Based upon facts known at the time, the consensus among industry experts, consultants, bankers and manufacturers was that, as a consequence of the significant disruptions to the logistics landscape and supply chains caused by over reliance on passenger airplanes to transport cargo, a structural shift from passenger airplane bellies to freighter aircraft had occurred for air cargo transportation. These parties were of the view that the secular tailwinds propelling air cargo, including the rapid growth of e-commerce and increased demand for just-in-time delivery for critical goods, would continue sustainably and freighters would serve as the primary source of air cargo transportation going forward, causing a shortage of freighter aircraft for the foreseeable future. This view was supported by a robust escalation of orders for new freighter aircraft, proliferation of new programs converting passenger aircraft to freighters, freighter aircraft

orders by the major ocean shipping companies and passenger airlines, and long term contracts for dedicated freighter lift by forwarders who had previously relied primarily on passenger airplane bellies. These factors, further reinforced by the Company's oversubscribed customer demand pipeline, led Western Global to invest heavily in the expansion of its fleet and operational capabilities. To this end, during 2020, 2021, and 2022, Western Global purchased, conformed, and upgraded four additional freighters for its operations, acquired and overhauled engines for these airplanes, and ramped up its operational capabilities.

48. Despite the positive trends and enduring structural shifts in the air cargo industry resulting from the COVID-19 pandemic, air cargo market demand has softened significantly since late 2022 because of the weakened global economy and other factors, at the same time that competing passenger belly capacity has surged back. In the past few months Western Global, in particular, experienced a number of compounding operational and financial challenges caused by the unprecedented combination of unforeseen negative macroeconomic and industry factors. Several of these challenges are outlined below.

i. *Impacts of the COVID-19 Pandemic*

49. Although increasing gross revenues, the COVID-19 pandemic also resulted in a significant increase to the Company's costs and decrease in efficiency. In particular, during the pandemic, Western Global was regularly responsible for paying its crews hazard pay and overtime pay, the cost of parts and maintenance increased, and closures of borders and airports across the world required flights to be rerouted with costly extra stops. In addition, since Western Global's focus during this time was on long-term contracts with its customers, the Company did not benefit from the increased spot rates during the pandemic as much as certain other air cargo operators.

50. Many of the costs that soared during the COVID-19 pandemic did not descend when market rates in the air cargo industry decreased dramatically and demand abated due to a weakening global economy and excess capacity. Rather, these costs escalated further due to the rising inflation that followed the pandemic, the impact of the Russia-Ukraine conflict on fuel prices, and labor poaching from passenger airlines and other cargo airlines (discussed further below). For example, Western Global crews continued to expect hazard pay to compensate for the risks associated with flying to affected areas and the overtime pay that was offered when demand had soared. Additionally, maintenance facilities raised their rates further and prolonged lead times because of the significant rise in post-COVID demand from passenger airlines.

ii. 2022-2023 COVID-19 Shutdown in China

51. In 2019, Western Global began developing a long-term strategy to provide air cargo services to various markets in mainland China, including Shanghai and Changsha, and other countries in East Asia. In connection with this strategy, Western Global obtained several foreign air operating certificates that allowed it to fly transpacific routes, including CCAR-129 approval which allowed Western Global to fly to China more frequently. By having greater access to the Chinese market, Western Global was able to access a large and growing economy that exports a significant amount of goods to the United States each year. In addition, the transpacific routes allowed Western Global to more efficiently utilize its fleet. Because of the longer distance associated with transpacific flights, Western Global was able to sell a larger number of “block hours” for each flight between China and the Americas compared to a typical flight between countries and regions that are closer together. This allowed Western Global to increase the revenue generated between scheduled maintenance for its aircraft, which is determined by the number of flight cycles (*i.e.*, operation from take-off to landing).

52. Western Global's strategy to serve the Chinese market was successful at first; however, the abrupt nationwide shutdown in China at the end of 2022 and continuing into 2023 due to an unexpected resurgence of COVID-19 had an immediate and negative impact on Western Global's performance. The shutdown abruptly halted exports from China and contributed to the decision by three major Western Global customers to suspend their long-term contracts despite ongoing contracted obligations to use Western Global's services. Based on discussions with its customers and certain market predictions for the industry, Western Global anticipated that China would reopen in February 2023, following the Chinese New Year; however, China did not reopen in that timeframe, which harmed Western Global's performance in early 2023. While certain of Western Global's customers in China have resumed flying, Chinese exports have still not returned to pre-pandemic levels. Furthermore, given the current state of the air cargo market, Western Global's customers in China have demanded significantly lower rates that would cause Western Global to fly for them at a loss. Western Global also made large capital investments to support these long term contracts, the profitability of which has been significantly impacted by the recent shutdown in China. The trends in the Chinese market are consistent with the overall softening of air cargo demand globally; according to the International Air Transport Association (IATA), total international air cargo volumes declined relative to 2022 levels in each of the first five months of 2023, and have fallen below pre-COVID 2019 levels.

iii. *Return of Belly Capacity on Passenger Flights*

53. Prior to the COVID-19 pandemic, approximately half of all air cargo volumes globally were carried on freighter aircraft, while the other half were transported in the bellies of passenger aircraft. Western Global and other air cargo operators saw a significant uptick in demand due to the significant decrease in passenger flights during the COVID-19 pandemic. However, as travel restrictions were lifted and demand for passenger travel returned, belly capacity

on passenger airlines returned to pre-pandemic levels. Contrary to their previous indications, several of Western Global's customers began shifting more of their volumes to passenger airlines at the expense of traditional cargo airlines. Due to the sharp unanticipated drop in air cargo demand, certain of Western Global's customers also cancelled contracts prematurely or sought price reductions to levels that were unsustainable for Western Global.

iv. *Russia-Ukraine War and Soaring Fuel Prices*

54. The Russian-Ukrainian conflict, which has been ongoing since 2014, escalated in February 2022 when Russia launched a military incursion and invaded parts of Ukraine. Following Russia's invasion, President Biden, on March 8, 2022, signed an executive order banning imports of Russian oil, natural gas, and coal. The United Kingdom, the European Union and several other countries followed suit shortly thereafter and announced their intention to limit the import of Russian oil. The economic sanctions and foreign policy directives issued by Western countries in response to Russia's invasion of Ukraine caused the price of fuel and other oil and gas products to skyrocket.⁷ Thus, at the same time Western Global was facing pricing pressure from its customers, Western Global's fuel costs (and, therefore, operating expenses) were rising substantially. While the structure of Western Global's customer contracts insulate the Company to a degree from the impacts of fuel price shifts, large fuel price increases can have a significant negative effect on profitability.

55. In addition to inflated fuel prices, the ban on overflight of Russian territory has also impacted air cargo shipments on routes from Asia to Europe and vice versa. Western

⁷ Notwithstanding Russia's invasion of Ukraine, oil prices were already reaching inflated levels due to higher demand stemming from the recovery of global economies from the COVID-19 pandemic and low investment in the oil and gas industry.

Global and many other air cargo operators have been forced to reroute their flights to avoid flying over Russian airspace, which results in extended flight times and increased costs.

v. *Pilot and Mechanic Attrition*

56. The air cargo industry has been plagued by the attrition of pilots, mechanics and corporate employees since the COVID-19 pandemic. During the early months of the pandemic, many passenger airlines prematurely retired their crews, allowing operators like Western Global to attract a number of new flight crew members to operate its aircraft. The Company expended significant resources to retrain many of the new pilots to operate the MD-11 at its training center in Miami, Florida. However, following the pandemic, several of the major passenger airlines who lost employees to early retirement began soliciting pilots and other workers from Western Global with signing bonuses, increased salaries and benefits, and reduced flight obligations. As a smaller independent cargo airline, Western Global simply could not compete with major passenger airlines in terms of recruitment during this unprecedented hiring spree. As a result, Western Global lost numerous pilots during 2022 and 2023 and has only been able to replace some of those lost. The high levels of pilot and mechanic attrition have prevented Western Global from taking advantage of certain revenue-generating opportunities and also significantly increased costs related to the payment of overtime and the need to recruit and train new pilots.

vi. *Third Party Disputes*

57. Prior to the Petition Date, Western Global has been engaged in a number of disputes over various matters with certain of its customers and vendors. In particular, on March 10, 2023, an arbitration award was rendered against Western Global Airlines, Inc. and in favor of Trans-Caribbean Cargo Corporation (“TCC”) totaling approximately \$6.7 million (the “**Arbitration Award**”). On May 25, 2023, the Circuit Court of the Eleventh Judicial Circuit in and for Miami-Dade County, Florida entered a final judgment confirming the arbitration

award. TCC subsequently recorded judgment liens against Western Global Airlines, Inc. and filed liens against certain of its property, including certain aircraft.

58. On June 27, 2023, TCC filed an *ex parte* motion for post-judgment writ of garnishment against Western Global Airlines, Inc. in the Eleventh Judicial Circuit, in furtherance of collection efforts related to the Arbitration Award. A writ of garnishment (“**Writ of Garnishment**”) in connection with the Arbitration Award was issued on June 29, 2023 and served on J.P. Morgan Chase Bank, N.A. (“**Chase**”) and Western Global on July 6, 2023. As a result of the Writ of Garnishment, the Debtors’ primary bank account with Chase (the “**Primary Operating Account**”) was frozen for several weeks barring the Debtors’ access to critical funds and currently over \$7 million is being held in the Primary Operating Account pending resolution of the Writ of Garnishment (the “**Garnishment Dispute**”). The Garnishment Dispute has significantly impacted and continues to impact Western Global’s ability to operate in the ordinary course. Prior to the Petition Date, the Garnishment Dispute required Western Global to obtain the assistance of the Majority Shareholder to make critical payments. The Primary Operating Account is subject to a deposit account control agreement, pursuant to which the Debtors’ secured lenders have held and maintain a first-priority interest in the account and the deposits in the Primary Operating Account.

59. Prepetition efforts to resolve the Garnishment Dispute with TCC were unsuccessful despite the clear priority status of DKB Partners, as secured lender to Western Global. TCC thus far has refused to dismiss the garnishment action. The Debtors believe that TCC is a general unsecured creditor, its purported liens are avoidable, and any claim or interest to the Debtors’ accounts held at Chase is junior in priority to the prior perfected interest of DKB Partners. The Debtors intend to seek expedited relief from the Court to address the Garnishment Dispute and regain access to its accounts held at Chase.

B. Restructuring Initiatives

60. Western Global's pressing liquidity challenges and significant upcoming debt servicing obligations prompted the need for restructuring efforts to address its liquidity position and secure the long-term viability of the business. In connection with these efforts, Western Global commenced discussions with its various stakeholders regarding its current situation and potential solutions.

i. Secured Lender Engagement

a. Forbearance Agreements

61. In response to certain defaults under the Credit Agreement, including Western Global's failure to make an amortization payment due on September 30, 2022, and to address the treatment of \$27 million of anticipated sale proceeds from a prospective sale of 16 unsuitable aircraft engines which were no longer needed for Western Global's operations (collectively, the "**Unsuitable Engines**"), Western Global entered into a forbearance agreement on December 2, 2022, with Truist, as administrative agent, and the Initial Secured Lenders (the "**First Forbearance Agreement**"). The First Forbearance Agreement expired according to its terms on December 16, 2022. Additionally, discussions with the third party potential buyer of the Unsuitable Engines terminated due to issues with the third party's financing and delays in obtaining an agreement from the Initial Secured Lenders to release their liens on the collateral. The Debtors continued their efforts to source liquidity by selling the engines and in early 2023 began negotiations with a different third-party for the purchase of 16 engines and certain engine stands for \$26 million (the "**Engine Sale**"), reflecting a \$1 million reduction from the prior purchase price.

62. As market conditions continued to worsen in early 2023 without a foreseeable turnaround and Western Global's liquidity failed to improve, it became evident that

absent consummation of the Engine Sale or another source of immediate capital, Western Global would be unable to continue to operate. The Initial Secured Lenders refused to provide incremental liquidity or allow Western Global to access certain baskets under the Credit Facilities that would have permitted *pari* secured debt. Accordingly, the Engine Sale was Western Global's last option. Although the sale of the Unsuitable Engines was anticipated to close in early March 2023, the purchaser required a rigorous and lengthy inspection process that caused significant delays. Facing significant execution risks and no actionable solution to the dire liquidity issue, the Company sought assistance from the Majority Shareholder. With the consent of the Initial Secured Lenders, the Majority Shareholder served as an interim purchaser of the Unsuitable Engines on terms substantially the same as those the potential buyer was willing to transact on—without the conditionality and a number of less favorable (yet market) terms Western Global may otherwise have been bound to accept (the “**Affiliate Transaction**”).⁸ Mr. Yazhari, as the independent member on the Board, evaluated the Affiliate Transaction⁹ and determined that the Affiliate Transaction was negotiated on an arm's-length basis and that entry into the transaction was in Western Global's best interests. On April 10, 2023, the Board approved Western Global's entry into the Affiliate Transaction and Western Global closed on the Affiliate Transaction.

63. In parallel with negotiating the Affiliate Transaction, Western Global engaged with Truist and the Initial Secured Lenders regarding a second forbearance agreement (the “**Second Forbearance Agreement**”) to address certain existing and anticipated Events of

⁸ The Majority Shareholder subsequently sold the assets subject to the Engine Sale to the third party the Company was previously negotiating with; however, such sale closed at a \$2 million loss to the Majority Shareholder for an aggregate purchase price of \$24 million.

⁹ Both Jim Neff and Carmit Neff, who each serve on the Board, disclosed their interest in the Affiliate Transaction and recused themselves from the deliberation related to the Affiliate Transaction.

Default (as defined in the Credit Agreement) under the Credit Agreement, including Western Global's anticipated Events of Default with respect to paying the \$4.5 million interest payment and the amortization payment due on March 31, 2023. Under the Second Forbearance Agreement, the Initial Secured Lenders agreed to (a) consent to the sale of the Unsuitable Engines for the reduced purchase price of \$26 million, (b) release their liens on the Unsuitable Engines to facilitate the Affiliate Transaction, and (c) allow Western Global to retain 100% of the sale proceeds, subject to payment to Truist of \$1,132,000 to reimburse fees and expenses incurred by Truist and fund a retainer for future fees and expenses of Truist. The Second Forbearance Agreement was entered into on April 10, 2023 and, unless an earlier termination event occurred, Truist and the Initial Secured Lenders agreed to forbear from exercising any rights and remedies available under the Credit Agreement through May 31, 2023.

64. Following the expiration of the Second Forbearance Agreement, Western Global executed that certain Third Forbearance Agreement, dated June 8, 2023, with Truist and the Initial Secured Lenders (the "**Third Forbearance Agreement**"). The Third Forbearance Agreement set forth certain milestones related to Western Global's restructuring efforts and its contingency preparation for a potential chapter 11 filing. The Third Forbearance Agreement addressed certain specified Events of Default and, absent an earlier termination event occurring, it was scheduled to expire on July 15, 2023.

b. Refinancing Process and Sale of Secured Loans

65. As required by the Initial Secured Lenders and in furtherance of Western Global exploring its strategic restructuring options, in early May 2023, Evercore, on behalf of Western Global, began outreach to a number of potential investors who, based on Evercore's experience and industry knowledge, have experience in the aviation industry or might otherwise be interested in refinancing all or a portion of the Credit Facilities. Of the 52 parties that Evercore

contacted, 30 parties executed a confidentiality agreement with Western Global and obtained access to a virtual dataroom established for the financing process, which contained, among other documents, the Initial Business Plan prepared by Western Global with the assistance of its advisors. Of the 30 parties that executed confidentiality agreements, four preliminary proposals were received by Western Global and none turned out to be actionable. In light of the results, the Initial Secured Lenders conveyed to Western Global on a number of occasions that they believed that the only path forward for the Company was liquidation. In furtherance of conducting a refinancing process outside of Western Global's attempts, the Initial Secured Lenders conducted an independent and competitive auction during the week of June 12, 2023 for the sale of the Secured Loans, and invited the Majority Shareholder to submit a bid.

66. Notwithstanding the auction process conducted by the Initial Secured Lenders to sell their debt holdings, the Majority Shareholder provided the Company and Initial Secured Lenders with a proposal for the purchase of substantially all of the Company's assets in a chapter 11 proceeding. The Majority Shareholder also submitted an alternative bid to purchase the Secured Loans. The Initial Secured Lenders rejected both bids and countered that a higher offer was needed to purchase the Secured Loans. In response to the Majority Shareholder's reluctance to proceed with the purchase of the Secured Loans, the Initial Secured Lenders informed Western Global and DKB Partners that, absent the Majority Shareholder purchasing the Secured Loans, it would commence preparing Western Global for a liquidation in 24 hours. Consequently, on June 29, 2023, the Initial Secured Lenders and DKB Partners entered into a Loan Sale and Assignment Agreement whereby DKB Partners purchased all of the outstanding Secured Loans from the Initial Secured Lenders.

ii. *Asset Sale Process*

67. In parallel to the Company's discussions with the Initial Secured Lenders, the Majority Shareholder, and the Ad Hoc Group regarding potential transaction alternatives, Evercore contacted a number of strategic investors and other parties who might be interested in purchasing the Debtors' aircraft and other assets. In addition, Evercore held discussions regarding DIP financing or an asset sale transaction with a number of parties that were involved in the prior process to refinance the Credit Facilities. In connection with the asset sale process, 18 new parties were contacted by Evercore, 6 of which executed confidentiality agreements with Western Global and obtained access to the dataroom to facilitate their diligence efforts.

68. As a result of the asset sale and marketing process, the Company received two preliminary proposals, including stalking horse proposals from the Majority Shareholder and a third-party strategic investor. Based on the terms of the proposal received from the third-party strategic investor, any transaction with such investor would not have involved the continuation of Western Global as a going concern. In addition, both proposals included a non-priming DIP, but subject to certain conditions that required Initial Senior Lender consent. The Initial Senior Lenders remained unwilling to consent or otherwise agree to these DIP proposals for various reasons, and neither proposal ripened into an actionable transaction for the Debtors.

iii. *Engagement with the Ad Hoc Group*

69. In March 2023, the Ad Hoc Group of DIP Lenders and Certain Creditors organized and engaged Paul, Weiss, Rifkind, Wharton & Garrison LLP ("**Paul Weiss**"), as counsel, and Ducera Partners LLC ("**Ducera**"), as investment banker. On May 16, 2023, the Company delivered the Initial Business Plan to Ducera and Paul Weiss and, on May 31, 2023, certain members of the Ad Hoc Group who executed confidentiality agreements with Western Global received a copy of the business plan as well. The Western Global management team

presented the Initial Business Plan to those members of the Ad Hoc Group on June 1, 2023. No restructuring proposal was submitted by the Ad Hoc Group or any individual member thereof following delivery and presentation of the Initial Business Plan.

70. Following the Majority Shareholder's purchase of the Secured Loans, he began discussions with the Ad Hoc Group of DIP Lenders and Certain Creditors in response to their request to develop a modified plan that they would be willing to transact on. Extensive arms-length negotiations ensued and constructively progressed. On July 18, 2023, Western Global Airlines, Inc. entered into a forbearance agreement (the "**Indenture Forbearance**") with certain members of the Ad Hoc Group because of its failure to deliver Q1 and Annual Reports, which were due May 15th and May 30th, respectively, through August 15, 2023. The Debtors, the Ad Hoc Group of DIP Lenders and Certain Creditors, and the Majority Shareholder have reached an agreement as to the operative terms of a plan of reorganization. In particular, as further set forth in the business level term sheet attached to the Restructuring Support Agreement, the potential transaction contemplates, among other things, (i) the Majority Shareholder and certain members of the Ad Hoc Group of DIP Lenders and Certain Creditors sharing in the funding of the DIP Facility (the "**Required Funding Group Investors**"), which will roll into new secured convertible notes (the "**Convertible Notes**") on the effective date, (ii) the Majority Shareholder investing \$11 million of equity financing upon emergence, and (iii) the Unsecured Noteholders receiving 5-year transferrable warrants to purchase up to 7.5% of the equity in the reorganized Western Global.¹⁰ The Restructuring Support Agreement further commits the parties thereto with respect to:

¹⁰ As further set forth in the Restructuring Support Agreement, under certain circumstances, if the Required Funding Group Investors are no longer DIP Lenders the Proposed Plan provides for the Unsecured Noteholders to receive their pro rata share of a \$17.5 million cash pool in lieu of the 5-year transferrable warrants.

- voting to accept a plan embodying the restructuring transaction described in the Restructuring Support Agreement (the “**Proposed Plan**”);
- agreeing to grant and not opt-out of the releases of third-party claims contemplated by the Proposed Plan;
- refraining from taking any action that would delay or impede consummation of the Proposed Plan; and
- supporting and effectuating the documentation within the timeframes contemplated in the Restructuring Support Agreement.

71. Additionally, the terms of the Proposed Plan described in the Restructuring Support Agreement indicate the intention of the Majority Shareholder and the Ad Hoc Group of DIP Lenders and Certain Creditors to provide consideration to the ESOP.

72. On August 7, 2023, the Debtors, the Majority Shareholder, and the Ad Hoc Group of DIP Lenders and Certain Creditors reached an agreement on the terms of a secured delayed draw debtor-in-possession term loan facility in an aggregate principal amount of \$77.3 million, which will provide the Debtors with the funds necessary to make key operating payments and prosecute the Chapter 11 Cases.

V. FIRST-DAY PLEADINGS

73. The Debtors have filed their First-Day Pleadings contemporaneously herewith to facilitate a smooth transition into these Chapter 11 Cases and minimize disruption to the Debtors’ business operations. I am familiar with the contents of each First-Day Pleading and believe that the relief sought in each First-Day Pleading is necessary to enable the Debtors to operate with minimal disruption, and effectively focus its resources on a value maximizing transaction for the benefit of creditors. The facts set forth in each First-Day Pleading are incorporated herein by reference. Capitalized terms used, but not otherwise defined in this section, shall have the meanings ascribed to such terms in the relevant First-Day Pleading.

A. Administrative Motions and Applications

i. Motion of Debtors for Entry of Order Directing Joint Administration of Related Chapter 11 Cases (the “Joint Administration Motion”)

74. The Debtors request entry of an order directing the consolidation and joint administration of these Chapter 11 Cases for procedural purposes only pursuant to Bankruptcy Rule 1015(b), and that the Bankruptcy Court maintain one file and one docket for all of the Chapter 11 Cases under the lead case, Western Global Airlines, Inc.

75. I believe joint administration of the Chapter 11 Cases will provide significant administrative efficiencies, as it will save the Debtors and their estates substantial time and expense by removing the need to prepare, replicate, file, and serve duplicative notices, applications, and orders. Furthermore, joint administration will relieve the Bankruptcy Court of entering duplicative orders and maintaining duplicative files and dockets. The U.S. Trustee for the District of Delaware (the “**U.S. Trustee**”) and other parties in interest will similarly benefit from joint administration of these Chapter 11 Cases, as it will spare them the time and effort of reviewing duplicative pleadings and papers.

76. Moreover, joint administration of these Chapter 11 Cases will not adversely affect creditors’ rights because the Joint Administration Motion requests administrative consolidation of the Debtors’ estates for procedural purposes only and does not seek substantive consolidation. As such, each creditor will continue to hold, and may file, its claim against a particular Debtor’s estate after the Joint Administration Motion is approved.

77. Based on the foregoing, I believe that granting the relief requested in the Joint Administration Motion is appropriate.

ii. **Application of Debtors for Entry of an Order (I) Approving the Retention and Appointment of Stretto, Inc. as Claims and Noticing Agent, Effective as of the Petition Date, and (II) Granting Related Relief (the “Claims and Noticing Agent Application”)**

78. The Debtors request entry of an order appointing Stretto, Inc. (“**Stretto**”) as claims and noticing agent (the “**Claims and Noticing Agent**”) in the Debtors’ Chapter 11 Cases effective as of the Petition Date. The terms of Stretto’s retention are set forth in the Engagement Agreement attached to the Claims and Noticing Agent Application.

79. I understand that the Debtors’ creditor matrix contains more than 4,000 creditors and parties in interest. Accordingly, I am told that under Local Rule 2002-1(f), the Debtors are required to retain a Claims and Noticing Agent.

80. I believe that Stretto’s rates, as described in the Claims and Noticing Agent Application, are competitive and reasonable given Stretto’s quality of services and expertise. Given the complexity of these Chapter 11 Cases and the number of creditors and other parties in interest involved in these Chapter 11 Cases, I believe that appointing Stretto as the Debtors’ Claims and Noticing Agent is in the best interest of the Debtors’ estates, their creditors, and all parties in interest.

81. Based on the foregoing, I believe that granting the relief requested in the Claims and Noticing Agent Application is appropriate.

iii. **Motion of Debtors for Entry of Order (I) Authorizing the Debtors to File Under Seal (A) Portions of the Creditor Matrix and (B) the Personal Information in Future Filings, and (II) Granting Related Relief (the “Sealing Motion”)**

82. The Debtors request entry of an order (i) authorizing the Debtors to file under seal and to redact (a) certain portions of their consolidated creditor mailing matrix (the “**Creditor Matrix**”) containing the Personal Information (as defined below) and (b) certain portions of future filings containing the Personal Information (the “**Prospective Sealed**

Documents” and together with the Creditor Matrix, the “**Sealed Documents**”), and (ii) granting related relief.

83. I believe that cause exists to authorize the Debtors to file under seal and to redact the home address of individuals (the “**Personal Information**”) in the Sealed Documents. The disclosure of address information poses a risk to individuals because, among other things, such information could be used to perpetrate identity theft or locate survivors of domestic violence, harassment, or stalking. With thousands of creditors, the Debtors cannot reasonably know with sufficient certainty whether a release of an individual creditor’s personal information could potentially jeopardize their safety. Accordingly, I believe good cause exists to grant the relief in the Sealing Motion.

B. Operational Motions

i. Motion of Debtors for Entry of Interim and Final Orders (I) Authorizing Debtors to (A) Continue Using Existing Cash Management System, Bank Accounts, and Business Forms, (B) Implement Changes to Cash Management System in the Ordinary Course of Business, and (C) Continue Using Corporate Credit Card Programs, (II) Extending Time to Comply with Requirements of 11 U.S.C. § 345(b), and (III) Granting Related Relief (the “Cash Management Motion”)

84. The Debtors request entry of orders (i) authorizing, but not directing, the Debtors to (a) continue using their existing Cash Management System (as defined below), including through the continued maintenance of their bank accounts (the “**Bank Accounts**”) and existing business forms and (b) honor and pay any obligations in connection with the Corporate Credit Card Programs (as defined below) in the ordinary course of business; (ii) extending the time to comply with certain requirements of section 345(b) of the Bankruptcy Code to the extent they apply to the Bank Accounts and Cash Management System; and (iii) granting related relief. In addition, to the extent necessary, the Debtors request authority to make ordinary course changes

to the Cash Management System, such as opening or closing bank accounts, in accordance with the Debtors' prepetition practices.

85. Cash Management System. The Debtors utilize a centralized cash management system to collect funds generated by their operations and disburse those funds to satisfy the obligations required to operate the businesses (the "**Cash Management System**"). The Debtors' Cash Management System consists of 27 domestic Bank Accounts, all of which are maintained at JP Morgan Chase Bank, N.A. ("**Chase**"). Of the 27 Bank Accounts, four are currently used to support the Debtors' daily operations (the "**Operational Accounts**"). The remaining 23 accounts maintain minimum cash balances totaling in the aggregate approximately \$4,500 (the "**Non-Operational Accounts**"). I understand the Non-Operational Accounts are carryover accounts from when subsidiaries of Western Global Airlines, Inc. operated independently.

86. The Operational Accounts include a Primary Operating Account, a Brokerage Account, and a Savings Account. In addition, I understand that, as of the Petition Date, the Debtors are seeking to use one of their Non-Operational Accounts as their main operating account due to an account hold on the Primary Operating Account.

87. I believe that maintaining the existing Cash Management System is in the best interests of the Debtors' estates and all parties in interest. The Cash Management System enables the Debtors to meet their operating needs, centrally control and monitor corporate funds, ensure cash availability and liquidity, comply with the requirements of their financing agreements, reduce administrative expenses by facilitating the movement of funds, and enhance the development of accurate account balances. In addition, the Cash Management System provides

the Debtors with the ability to quickly create status reports on the location and amount of funds, thereby allowing management to track and control such funds.

88. If the Debtors were required to alter the way in which they collect and disburse cash throughout the Cash Management System, I believe their operations would experience disruptions, which ultimately would frustrate the Debtors' ability to effectuate their restructuring strategy and maximize the value of their estates.

89. Credit Card Programs. The Debtors maintain two corporate credit card programs (the "**Corporate Credit Card Programs**") to help fund their operations: (i) a corporate credit card issued by Chase (the "**Chase Program**"), and (ii) two credit accounts with WEX, Inc. (the "**WEX Program**"). Under the Chase Program, certain of the Debtors' employees use credit cards issued by Chase to incur travel and other business-related expenses in connection with their employment duties. Under the WEX Program, the Debtors incur charges for (i) hotel bookings that are made not using the Debtors' travel and hotel booking service, TA Connection, and (ii) miscellaneous expenses that require immediate payment.

90. I believe the Corporate Credit Card Programs are essential to the Debtors' operations. The Corporate Credit Card Programs allow the Debtors' employees to charge certain business-related expenses directly to the Debtors thereby allowing the employees to conduct business more efficiently. Without the Debtors' Corporate Credit Card Programs, employees would have to pay work related expenses and services upfront and wait for reimbursement, thereby jeopardizing the Debtors' operational effectiveness.

91. In addition to maintaining the Cash Management System, the Debtors seek an extension of time to comply with the requirements of section 345(b) of the Bankruptcy Code. I believe that cause exists to grant such an extension because all of the Bank Accounts are

maintained with Chase, a U.S. Trustee authorized depository and highly-rated, nationally chartered bank subject to supervision by national banking regulators. Therefore, all of the Bank Accounts are held at a stable financial institution that has executed a Uniform Depository Agreement with the U.S. Trustee. Accordingly, it is my understanding that the Debtors are in compliance with section 345(b) of the Bankruptcy Code, to the extent applicable. Nevertheless, I believe an extension of time to comply with the requirements of section 345(b) is appropriate because it will provide the Debtors with additional time to engage with the U.S. Trustee to determine what modifications, if any, to the Bank Accounts and Cash Management System would be appropriate under the circumstances.

92. Based on the foregoing, I believe that granting the relief requested in the Cash Management Motion is appropriate and in the best interests of the Debtors, their estates, and all parties in interest.

ii. Motion of Debtors for Entry of Interim and Final Orders (I) Authorizing Payment of Certain Prepetition Claims of Vendor Claimants, (II) Confirming Administrative Expense Priority of Undisputed Outstanding Prepetition Orders, and (III) Granting Related Relief (the “Critical Vendors Motion”)

93. The Debtors request entry of orders (i) authorizing the Debtors to pay prepetition amounts, in the exercise of their reasonable business judgment, subject to the terms of the interim and final orders granting the relief requested in the Critical Vendors Motion, owed to (a) vendors whose goods and services are essential to the Debtors’ operations (such claimants, the “**Critical Vendors**” and their prepetition claims, the “**Critical Vendor Claims**”), (b) vendors of certain goods received within the 20 days prior to the Petition Date (such claimants, the “**503(b)(9) Claimants**” and their prepetition claims, the “**503(b)(9) Claims**”), (c) vendors that may be entitled to assert liens against the Debtors’ assets (such claimants, the “**Lien Claimants**” and their prepetition claims, the “**Lien Claims**”), and (d) certain suppliers, service providers, and

other entities located outside of the United States (such parties, the “**Foreign Vendors**” and their prepetition claims, the “**Foreign Vendor Claims**”); (ii) confirming the administrative expense priority status of the Outstanding Prepetition Orders (as defined below); and (iii) granting related relief.

94. The Debtors also seek authority to condition the payment of the Critical Vendor Claims, 503(b)(9) Claims, Lien Claims, and the Foreign Vendor Claims (such claims, collectively, the “**Vendor Claims**” and their claimholders, the “**Vendor Claimants**”), whether in whole or in part, upon the respective Vendor Claimant’s commitment through a trade agreement to maintain or reinstate contract terms during the pendency of these Chapter 11 Cases that are at least as favorable as the most favorable trade terms existing in the 180 days before the Petition Date, or such other trade terms acceptable to the Debtors.

95. A chart outlining the various categories and amounts of Vendor Claims that the Debtors are seeking authority to pay pursuant to the Critical Vendors Motion is set forth below.

Type of Vendor Claimant	Interim Relief Requested	Final Relief Requested
Critical Vendors	\$6,500,000	\$6,500,000
503(b)(9) Claimants	\$3,500,000	\$3,500,000
Lien Claimants	\$250,000	\$5,250,000
Foreign Vendors	\$500,000	\$500,000
Total	\$10,750,000	\$15,750,000

96. I believe that payment of the Vendor Claims is necessary for the Debtors to function in the ordinary course and to preserve the value of the Debtors’ business. The Vendor Claimants include third parties that provide materials and services that ensure the operability and safety of the Debtors’ aircraft and business, including but not limited to, aircraft spare parts, engine

accessories, fuel, aircraft maintenance, flight navigation, and flight training services. Due to the highly regulated and sophisticated nature of the aviation industry, attempting to replace such Vendor Claimants would be at best, time-consuming and costly, and at worst, not feasible. Failure to pay the Vendor Claims would materially disrupt the Debtors' operations to the detriment of all the Debtors' stakeholders. Therefore, I believe that paying the Vendor Claims and maintaining favorable trade terms with the Vendor Claimants on the terms set forth in the Critical Vendors Motion is in the best interests of the Debtors and all parties in interest in these Chapter 11 Cases.

97. Additionally, the Debtors have certain orders outstanding with various suppliers and vendors for goods and services ordered by the Debtors that will not be delivered until on or after the Petition Date (the "**Outstanding Prepetition Orders**"). I understand that such suppliers and vendors may refuse to provide goods or services to the Debtors (or may recall shipments thereof) unless the Debtors issue substitute purchase orders postpetition or obtain an order of the Court providing that all undisputed obligations of the Debtors arising from the postpetition delivery of goods or services subject to the Outstanding Prepetition Orders are afforded administrative expense priority status under section 503(b) of the Bankruptcy Code. Absent such relief, I believe the Debtors will be required to expend substantial time and effort to provide such suppliers with assurance of administrative expense priority. I believe that doing so would disrupt the continuous and timely flow of critical goods and materials to the Debtors, damage the Debtors' business reputation, erode the Debtors' customer base, and ultimately lead to a loss of revenue, all to the detriment of the Debtors and their creditors.

98. Based on the foregoing, I believe granting the relief requested in the Critical Vendors Motion is appropriate, necessary to avoid immediate and irreparable harm to the Debtors, and in the best interests of the Debtors, their estates, and all parties in interest.

iii. **Motion of Debtors for Entry of Interim and Final Orders (I) Authorizing Debtors to (A) Pay Prepetition Employee Obligations and (B) Maintain Employee Benefit Programs, and (II) Granting Related Relief (the “Employee Wages Motion”)**

99. The Debtors request entry of orders (i) authorizing, but not directing, the Debtors to (a) pay Employee Compensation Obligations and Employee Benefit Obligations (each as defined below) (collectively, the “**Employee Obligations**”), and related expenses, fees and costs incident to the foregoing, and (b) maintain, continue to honor, and pay amounts with respect to the Debtors’ business practices, programs, and policies for their employees as such were in effect as of the Petition Date, and as such may be modified or supplemented from time to time in the ordinary course of business, and (ii) granting related relief.

100. As of the Petition Date, the Debtors collectively employ 291 full-time employees paid on a salaried basis and 61 employees paid on an hourly basis (collectively, the “**Employees**”). All of the Employees are employed by Debtor Western Global Airlines, Inc. In addition, the Debtors utilize the services of approximately 55 independent contractors, 10 of which are contracted out by the employment vendors and 45 of which are contracted out and paid directly by the Debtors (each, a “**Contractor**” and collectively, the “**Contractor Workforce**”). The Employees and Contractors are critical to the success of the Debtors’ business and are responsible for ensuring, among other things, that the Debtors’ operations continue to run smoothly and effectively.

101. In the ordinary course of business, the Debtors incur various obligations related to the compensation of their workforce, including (i) service fees to a human capital management firm (“**HCM Fees**”), (ii) salaries, wages, and related obligations to Employees (“**Wage Obligations**”), (iii) fees to board members (“**Board Fees**”), (iv) obligations under various bonus program (“**Bonus Program Obligations**”), (v) various amounts related to payroll

deductions, withholdings, and taxes (“**Deductions and Payroll Taxes**”), (vi) business expenses incurred by Employees in connection with their employment duties (“**Business Expenses**”), and (vii) fees owed to employment vendors and independent contractors (“**Contractor Workforce Obligations**” and, collectively with the HCM Fees, Wage Obligations, Board Fees, Bonus Program Obligations, Deductions and Payroll Taxes, and Business Expenses, the “**Employee Compensation Obligations**”).

102. Furthermore, in the ordinary course of business, the Debtors make various benefit plans available to their Employees, including (i) paid time off, including personal time off and holidays (collectively, the “**Employee Leave Benefits**”); (ii) medical, dental, vision, and prescription drug benefits, life insurance, accidental death and dismemberment insurance, disability insurance, and other miscellaneous benefits (collectively, the “**Health and Welfare Benefits**”); (iii) a 401(k) retirement savings plan (the “**Retirement Benefits**”); and (iv) the ESOP (each of (i) through (iv), an “**Employee Benefit**” and collectively, the “**Employee Benefit Programs**”). In the ordinary course of business, the Debtors incur obligations related to the Employee Benefits (the “**Employee Benefit Obligations**”).

103. As of the Petition Date, I understand the Debtors owe approximately \$7.12 million on account of Employee Compensation Obligations and approximately \$1.06 million on account of Employee Benefit Obligations, all of which will be due and payable within 30 days following the Petition Date.

104. I believe the relief requested in the Employee Wages Motion represents a sound exercise of the Debtors’ business judgment and is necessary to avoid immediate and irreparable harm to the Debtors’ estates. Authorizing the Debtors to pay prepetition wages, employee benefits, and similar items will benefit the Debtors’ estates and their creditors by

allowing the Debtors' business operations to continue without interruption. Failure to satisfy the Employee Obligations will jeopardize Employee morale and loyalty at a time when Employee support is critical to the Debtors' business. I understand that a majority of the Debtors' Employees rely exclusively on their compensation and benefits to satisfy their daily living expenses. Therefore, Employees will be exposed to significant financial difficulties and other distractions if the Debtors are not permitted to honor their obligations to Employees.

105. Furthermore, I believe that failure to satisfy the Employee Obligations may cause Employees to seek alternative employment opportunities. The loss of valuable Employees could hinder the Debtors' ability to meet their marketing and sales goals, and diminish stakeholder confidence in the Debtors' ability to carry out their chapter 11 strategy successfully. It would also cause the Debtors to incur additional expenses to find appropriate and experienced replacements, severely disrupting the Debtors' operations at a critical juncture.

106. I believe that payment of the Contractor Workforce Obligations will also benefit the Debtors' estates because the uninterrupted performance of the Contractor Workforce will enable the Debtors to continue their operations in the ordinary course of business. The Debtors enjoy long-standing, positive relationships with each of the employment vendors and Contractors and are confident in their abilities to perform with the highest level of skill. It would be difficult and costly to find and integrate new workers into the Debtors' operations who held an equivalent level of skill and knowledge as their current Contractors, particularly given the specialized nature of the aviation industry.

107. Based on the foregoing, I believe that granting the relief requested in the Employee Wages Motion is appropriate and in the best interests of the Debtors, their estates, and all parties in interest.

iv. **Motion of Debtors for Entry of Interim and Final Orders (i) Authorizing Debtors to Maintain, Apply, and Honor Customer Prepayments and Credits, and (ii) Granting Related Relief (the “Customer Deposits Motion”)**

108. The Debtors request entry of orders (i) authorizing the Debtors to, in the ordinary course of business and consistent with past practices, maintain, apply, and honor certain prepetition customer prepayments and credits, and (ii) granting related relief.

109. I understand that Japan Airlines Co., Ltd. (“**Japan Airlines**”), one of the Debtors’ commercial customers, prepays amounts owed to the Debtors for flights in advance of each month (such payments, the “**Customer Prepayments**”). In addition, due to various flight cancellations, Pioneer Logistics Co., Ltd. (“**Pioneer Logistics**”) has an outstanding credit with the Debtors that is applied towards future flights (the “**Customer Credit**” and, together with the Customer Prepayments and any other customer credit or prepayment owed by the Debtors, the “**Customer Prepayments and Credits**”). The terms and conditions on which the Customer Prepayments and Credits are made or granted, as applicable, are commonplace in the air cargo industry.

110. The Debtors estimate that, as of the Petition Date, the Debtors hold Customer Prepayments and Credits in the amounts set forth in the following table:

Customer	Approx. Amount of Customer Prepayments and Credits
Japan Airlines	\$125,000
Pioneer Logistics	\$145,000

111. I believe that there is a sound business justification to maintain, apply, and honor the Customer Prepayments and Credits. Absent relief from the Court permitting the Debtors to honor the Customer Prepayments and Credits in the ordinary course of business and apply such

payments to future flights, I believe that Japan Airlines and Pioneer Logistics would likely decide to end their arrangements with the Debtors and seek the services of other cargo transportation providers. This would damage the Debtors market share and ability to generate future revenue. I understand that Japan Airlines and Pioneer Logistics have accounted for a significant portion of the Debtors' revenue in 2022 and 2023 year-to-date. The Debtors simply cannot afford to lose these key revenue streams. Moreover, I believe that the potential consequences of failing to honor the Customer Prepayments and Credits in the ordinary course would far outweigh the costs of honoring the Customer Prepayments and Credits on an ongoing basis.

112. Based on the foregoing, I believe that granting the relief requested in the Customer Deposits Motion is appropriate and in the best interests of the Debtors, their estates, and all parties in interest.

v. Motion of Debtors for Entry of Interim and Final Orders (I) Authorizing Debtors to Pay Certain Prepetition Taxes and Fees, and (II) Granting Related Relief (the "Taxes Motion")

113. The Debtors request entry of orders (i) authorizing the Debtors to pay certain prepetition Taxes and Fees (as defined below) due and owing to various local, state, and federal taxing and other governmental authorities (collectively, the "**Taxing Authorities**") that arose prior to the Petition Date, including all Taxes and Fees subsequently determined by audit or otherwise (including by amended returns) to be owed, and (ii) granting related relief.

114. In the ordinary course of business, the Debtors are obligated to pay certain taxes and fees, which generally fall into the following categories: (a) Franchise Taxes, (b) Income Taxes, (c) Property Taxes, (d) Transportation Taxes, and (e) Other Fees (each as defined in the Taxes Motion and, collectively, the "**Taxes and Fees**").

115. In the 12 months prior to the Petition Date, the Debtors paid approximately \$18,820,000 in the aggregate in Taxes and Fees, which are paid on a quarterly or annual basis, in

each case as required by applicable law and regulation. The Debtors estimate that approximately \$7,615,000 of Taxes and Fees relating to the prepetition period will become due and payable after the Petition Date, with approximately \$2,790,000 coming due within the 30 days following the Petition Date.

116. I believe that payment of the prepetition Taxes and Fees is an exercise of sound business judgment and is necessary to ensure a smooth transition into chapter 11 for the Debtors. I am advised that the Debtors must pay the Taxes and Fees to prevent the Taxing Authorities from taking actions that would interfere with the Debtors' continued business operations and potentially impose significant costs on the Debtors' estates. These potential actions include asserting liens on estate assets or seeking to lift the automatic stay. Moreover, I understand that failure to satisfy the prepetition Taxes and Fees may jeopardize the Debtors' maintenance of good standing to operate in the jurisdiction in which they do business.

117. Further, I am advised that, to the extent any prepetition Taxes and Fees remain unpaid by the Debtors, the Debtors' officers, directors, and managers may be subject to lawsuits or criminal prosecution during the pendency of these Chapter 11 Cases. I believe that the dedicated and active participation of the Debtors' officers, directors and managers, and other employees is not integral to the Debtors' continued, uninterrupted operations, and essential to the orderly administration of these Chapter 11 Cases. The threat of a lawsuit or criminal prosecution, and any ensuing liability, would distract the Debtors and their personnel from important tasks, to the detriment of all parties in interest. In addition, I am advised that the payment of the prepetition Taxes and Fees now will avoid the potential imposition of liens and the accrual of interest charges and unnecessary fees and penalties on such claims, which will preserve the value of the Debtors' estates and maximize distributions available for other creditors.

118. Based on the foregoing, I believe granting the relief requested in the Taxes Motion is appropriate and in the best interests of the Debtors, their estates, and all parties in interest.

vi. **Motion of Debtors for Entry of Interim and Final Orders (I) Approving Debtors' Proposed Form of Adequate Assurance of Payment to Utility Providers, (II) Establishing Procedures for Resolving Objections Relating to Proposed Adequate Assurance, (III) Prohibiting Utility Providers From Altering, Refusing, or Discontinuing Service, and (IV) Granting Related Relief (the "Utilities Motion")**

119. The Debtors request entry of orders (i) approving the Debtors' proposed form of adequate assurance of payment to Utility Providers (as defined below) (the "**Adequate Assurance Procedures**"), (ii) establishing procedures for resolving objections relating to proposed adequate assurance, and (iii) prohibiting the Utility Providers from altering, refusing, or discontinuing service to, or discriminating against, the Debtors on account of the commencement of these Chapter 11 Cases or outstanding prepetition invoices, and (iv) granting related relief.

120. In the ordinary course of business, the Debtors incur expenses for electricity, natural gas, oil, water, refuse, information technology, telecommunications, and/or other similar utility services (collectively, the "**Utility Services**") directly or indirectly from various utility providers and landlords (collectively, the "**Utility Providers**") to operate their business. I believe that preserving the Utilities Services on an uninterrupted basis is essential to the Debtors' ongoing operations and restructuring process. Any interruption in Utility Services—even for a brief period of time—I believe would have the potential to materially disrupt the Debtors' ability to properly maintain their fleet and operate.

121. I understand the Debtors propose to deposit into a segregated bank account for the benefit of Utilities Providers cash in an amount equal to two weeks' cost of the relevant Utility Services, calculated using the historical average cost of such services incurred for the 12

months prior to the Petition Date (the “**Adequate Assurance Deposit**”) and net of any security deposit currently held by a Utility Provider. Based on the historical average cost of Utility Services provided by each Utility Provider during the 12 months prior to the Petition Date, the Debtors calculate the total amount of the Adequate Assurance Deposit to be \$37,534.

122. Based on the Adequate Assurance Deposit, I believe that the Utility Providers are adequately assured against any risk of nonpayment for future services. Moreover, I believe the Debtors will have sufficient resources to pay, and intend to pay, all valid postpetition obligations for Utility Services in a timely manner.

123. Based on the foregoing, I believe that granting the relief requested in the Utilities Motion is appropriate and in the best interests of the Debtors, their estates, and all parties in interest.

vii. Motion of Debtors for Entry of Interim and Final Orders (I) Authorizing (A) Debtors to Continue Insurance Policies and Surety Bond Program and (B) Pay All Obligations With Respect Thereto, and (II) Granting Related Relief (the “Insurance Motion”)

124. The Debtors request entry of orders (i) authorizing the Debtors to (a) continue the Insurance Policies and the Surety Bond Program (each as defined below) in accordance with their terms as provided for in their underlying agreements and to perform with respect thereto in the ordinary course of business and (b) pay any prepetition obligations arising under the Insurance Policies and the Surety Bond Program, (ii) modifying the automatic stay if necessary and solely for the limited purpose to permit the Debtors’ employees to proceed with any claims they may have under the Workers’ Compensation Policies (as defined in the Insurance Motion), whether they arose before or after the Petition Date, in the appropriate judicial or administrative forum to proceed against the proceeds of such policies only, and (iii) granting related relief.

125. It is my understanding that, in the ordinary course of business, the Debtors maintain various insurance policies (collectively, the “**Insurance Policies**”) through several insurance carriers (each, an “**Insurance Carrier**”). The Insurance Policies include various liability, property, and other policies that provide the Debtors with insurance related to, among other things, aviation liability, general and products liability, directors’ and officers’ liability, automobile liability, property liability, and workers’ compensation coverage. Pursuant to the Insurance Policies, the Debtors pay premiums based on negotiated rates, as well as certain other obligations related thereto, including any brokers’ fees, taxes, or other fees (collectively, the “**Insurance Obligations**”). The Debtors estimate that, for the current coverage periods, approximately \$375,000 in obligations relating to the Insurance Policies will become due and payable after the Petition Date, none of which will become due and payable during the 30 days following the Petition Date.

126. It is also my understanding that, in the ordinary course of business, the Debtors are required to provide surety bonds (the “**Surety Bonds**”) to certain third parties, including governmental units and other regulatory and public authorities, to secure the Debtors’ payment or performance of certain obligations (the “**Surety Bond Program**”). These obligations relate to, among other things, (i) customs and excise fees and (ii) the Debtors’ Employee Stock Ownership Plan. I am advised that statutes or ordinances may require the Debtors to post surety bonds to secure these obligations. The Debtors incur certain obligations in connection with the Surety Bond Program, including premium payments and indemnification obligations (collectively, the “**Surety Bond Obligations**”). In the 12 months preceding the Petition Date, premiums for the Surety Bonds totaled approximately \$2,600 in the aggregate.

127. I believe that payment of the Insurance Obligations and the Surety Bond Obligations is justified because such obligations are necessary costs of preserving the Debtors' estates. I am advised that the Debtors are contractually and legally obligated to maintain certain Insurance Policies and the Surety Bond Program, and the Debtors must maintain certain of the Insurance Policies and the Surety Bond Program in order to comply with the operating guidelines of the Office of the United States Trustee for Region 3, which includes the District of Delaware.

128. Moreover, I am advised that it would be difficult, if not impossible, to renew or replace the Debtors' existing Insurance Policies and the Surety Bond Program on more favorable terms without incurring significant burden and costs to the estate. I understand that the Debtors could be exposed to significant liability if the Insurance Policies and the Surety Bond Program were allowed to lapse or terminate.

129. Based on the foregoing, I believe that granting the relief requested in the Insurance Motion is appropriate and in the best interests of the Debtors, their estates, and all parties in interest.

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I declare under penalty of perjury that, to the best of my knowledge and after reasonable inquiry, the foregoing is true and correct.

Date: August 7, 2023
New York, New York

/s/ Robert A. Del Genio
Robert A. Del Genio
Chief Restructuring Officer

Exhibit A

Corporate Structure Chart

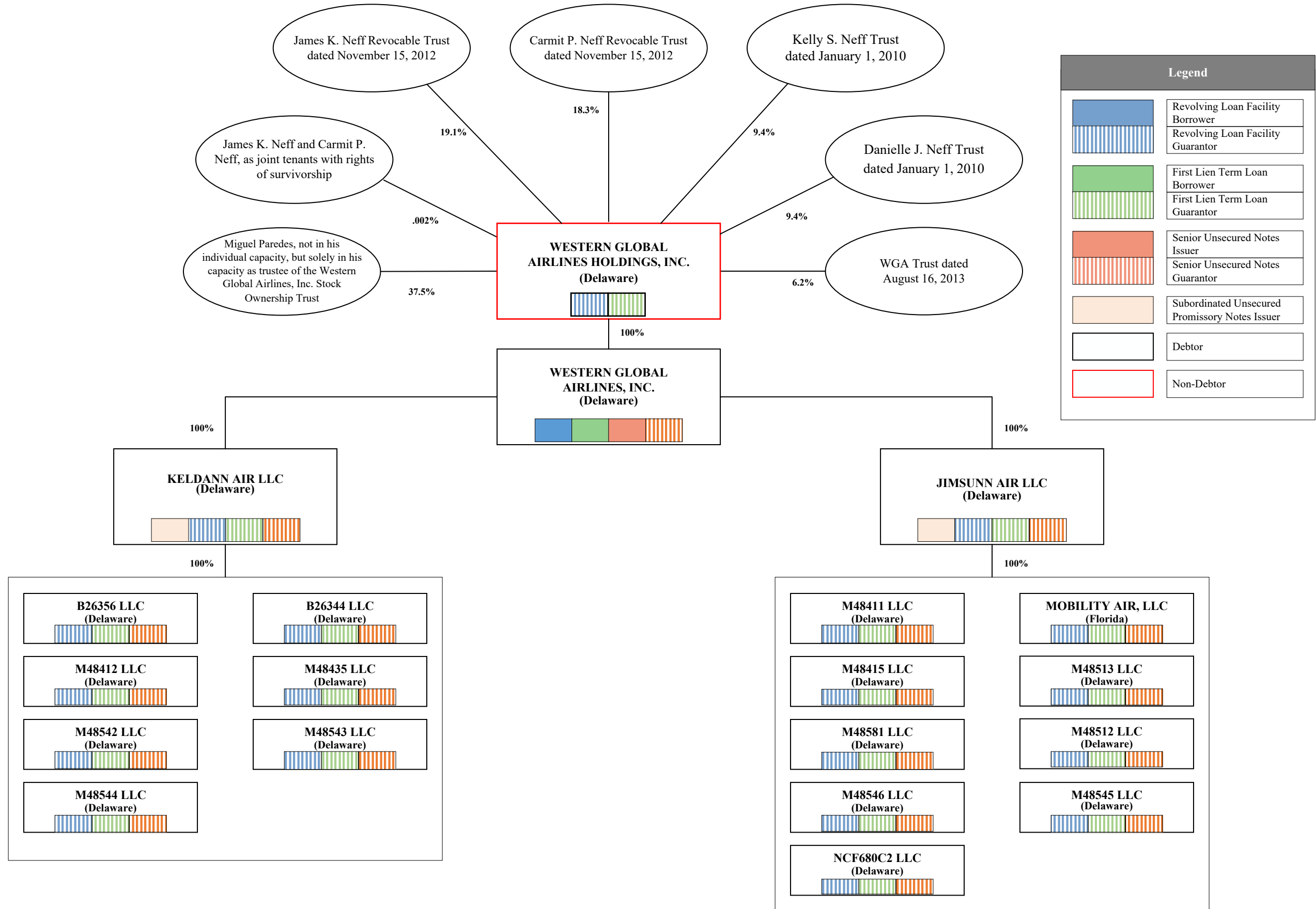


Exhibit B

Restructuring Support Agreement

THIS RESTRUCTURING SUPPORT AGREEMENT IS NOT AN OFFER WITH RESPECT TO ANY SECURITIES OR A SOLICITATION OF ACCEPTANCES OF A CHAPTER 11 PLAN WITHIN THE MEANING OF SECTIONS 1125 AND 1126 OF THE BANKRUPTCY CODE. ANY SUCH OFFER OR SOLICITATION WILL COMPLY WITH ALL APPLICABLE SECURITIES LAWS AND/OR PROVISIONS OF THE BANKRUPTCY CODE.

RESTRUCTURING SUPPORT AGREEMENT

This RESTRUCTURING SUPPORT AGREEMENT (as may be amended, supplemented or otherwise modified from time to time in accordance with the terms hereof, this “**Agreement**”), dated as of August 7, 2023 is entered into by and among:

(i) Western Global Airlines, Inc. (“**Western Global**”), Keldann Air LLC, Jimsunn Air LLC, B26344 LLC, B26356 LLC, M48411 LLC, M48412 LLC, M48415 LLC, M48435 LLC, M48512 LLC, M48513 LLC, M48542 LLC, M48543 LLC, M48544 LLC, M48545 LLC, M48546 LLC, M48581 LLC, Mobility Air, LLC, and NCF680C2 LLC (collectively, the “**Company**” and each a “**Western Global Party**”);

(ii) DKB Partners LLC (“**DKB Partners**”), in its capacity as administrative agent and lender under that certain *Revolving Credit and Term Loan Agreement*, dated as of September 14, 2020 (as amended by that certain *Amendment and Waiver to the Revolving Credit and Term Loan Agreement*, dated as of May 28, 2021, that certain *Second Amendment to Revolving Credit and Term Loan Agreement*, dated as of May 31, 2022, that certain *Second Forbearance Agreement, Third Amendment to Revolving Credit and Term Loan Agreement, Omnibus Amendment to Certain Loan Documents*, dated as of April 10, 2023, *Fourth Forbearance Agreement, Fourth Amendment to Revolving Credit and Term Loan Agreement and Omnibus Amendment to Certain Loan Documents*, dated as of July 5, 2023, *Fifth Amendment to Revolving Credit and Term Loan Agreement and Omnibus Amendment to Certain Loan Documents*, dated as of July 14, 2023, *Fifth Forbearance Agreement and Sixth Amendment to Revolving Credit and Term Loan Agreement*, dated as of July 18, 2023, *Seventh Amendment to Revolving Credit and Term Loan Agreement*, dated as of July 25, 2023, and as further amended, modified, extended, restated, replaced, or supplemented in writing from time to time, the “**Credit Agreement**” and the loans issued thereunder, the “**Secured Loans**”), by and among, Western Global, as borrower, Western Global Airlines Holdings, Inc., the other guarantors party thereto, and DKB Partners, as lender and administrative agent (the “**Secured Lender**”);

(iii) the undersigned lenders (the “**DIP Lenders**”) under that certain *DIP Facility Term Sheet* (the “**DIP Term Sheet**”), by and among Western Global, as borrower, and each of the other Western Global Parties, as guarantors, the DIP Lenders, and DKB Partners (or a different institution selected by the Required DIP Lenders), as administrative agent; and

(iv) the undersigned beneficial holders and/or investment advisors or managers of discretionary accounts for such beneficial holders (together with their respective successors and permitted assigns and any subsequent holder that becomes party hereto in accordance with the terms hereof, the “**Consenting Holders**” and, together with the Secured Lender and the DIP

Lenders, the “**Consenting Creditors**”) of the 10.375% Senior Notes due 2025 (the “**Notes**”) issued by Western Global pursuant to that certain *Indenture*, dated as of August 21, 2020 (as amended, restated, or supplemented from time to time, the “**Indenture**”), by and among Western Global, as issuer, the other guarantors party thereto, and U.S. Bank Trust Company, National Association (as successor to U.S. Bank National Association), as trustee.

Each Western Global Party and each Consenting Creditor (including any subsequent person or entity that becomes a party hereto in accordance with the terms hereof) are referred herein as the “**Parties**” and individually as a “**Party**.”

When a reference is made in this Agreement to a Section or Exhibit, such reference shall be to a Section or Exhibit, respectively, of or attached to this Agreement unless otherwise indicated. Unless the context of this Agreement otherwise requires, (a) in the appropriate context, words using the singular or plural also include the plural or singular, respectively, (b) the terms “hereof,” “herein,” “hereby” and derivative or similar words refer to this entire Agreement, (c) the words “include,” “includes” and “including” when used herein shall be deemed in each case to be followed by the words “without limitation,” (d) where context permits, the word “or” shall not be exclusive and shall be read to mean “and/or” and (e) any reference to dollars or “\$” shall be to United States dollars. The Parties agree that they have been represented by legal counsel during the negotiation and execution of this Agreement and, therefore, waive the application of any law, regulation, holding or rule of construction providing that ambiguities in an agreement or other document shall be construed against the party drafting such agreement or document.

RECITALS

WHEREAS, the Parties have engaged in good faith, arm’s length negotiations and have agreed to support and enter into certain transactions (the “**Restructuring Transactions**”) in furtherance of a restructuring of the Company (the “**Restructuring**”) on terms and conditions set forth in (a) this Agreement and (b) the term sheet setting forth the material terms of the Restructuring Transactions attached hereto as Exhibit A (the “**Restructuring Term Sheet**”);

WHEREAS, the Company will implement the Restructuring Transactions through commencing voluntary cases (the “**Chapter 11 Cases**”) under chapter 11 of title 11 of the United States Code, 11 U.S.C. §§101-1532, as amended (the “**Bankruptcy Code**”), in the United States Bankruptcy Court for the District of Delaware (the “**Bankruptcy Court**”);

WHEREAS, as of the date hereof, the Secured Lender holds 100% of the outstanding Secured Loans;

WHEREAS, the DIP Lenders will hold, upon the Company’s entry into and the Bankruptcy Court’s approval of the DIP Facility, 100% of the DIP Loans (each as defined below);

WHEREAS, as of the date hereof, the Consenting Holders hold, in the aggregate, approximately 85.6% of the aggregate outstanding principal amount of the Notes;

WHEREAS, the Parties desire to memorialize their mutual support and commitment in respect of the matters discussed in the Restructuring Term Sheet and hereunder.

NOW, THEREFORE, in consideration of the foregoing promises and the mutual covenants and agreements set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties, intending to be legally bound, agree as follows:

1. Certain Definitions.

As used in this Agreement, the following terms have the following meanings:

(a) **“Acceptable Plan”** means the chapter 11 plan of reorganization of the Company implementing the Restructuring Transactions, as may be amended or modified from time to time in accordance with this Agreement, which shall be subject to the consent rights of the Parties set forth herein.

(b) **“Ad Hoc Group Advisors”** means the following advisors to the Ad Hoc Group of DIP Lenders and Certain Creditors: (i) Paul, Weiss, Rifkind, Wharton & Garrison LLP (**“Paul, Weiss”**), (ii) Ducera Partners LLC (**“Ducera”**), (iii) Landis Rath & Cobb LLP, and (iv) one regulatory counsel to the extent retained by the Ad Hoc Group of DIP Lenders and Certain Creditors.

(c) **“Ad Hoc Group Fees”** means all reasonable and documented fees (including success fees, transaction fees, or similar fees) and out-of-pocket expenses of the Ad Hoc Group Advisors.

(d) **“Ad Hoc Group of DIP Lenders and Certain Creditors”** means the ad hoc group of DIP Lenders and certain holders of Notes advised by the Ad Hoc Group Advisors.

(e) **“Carve-Out Trigger Date”** has the meaning set forth in the DIP Term Sheet.

(f) **“Claims”** means any claim, as defined in section 101(5) of the Bankruptcy Code, against any of the Western Global Parties.

(g) **“Confirmation Order”** means the order of the Bankruptcy Court confirming the Acceptable Plan in the Chapter 11 Cases, which shall be subject to the consent rights of the Parties set forth herein.

(h) **“Definitive Documents”** means all documents reasonably necessary to implement or give effect to the Restructuring Transactions, including, without limitation, (i) this Agreement (including the Restructuring Term Sheet), (ii) the Acceptable Plan, (iii) the Disclosure Statement, (iv) the Disclosure Statement Motion, (v) the Disclosure Statement Order; (vi) the Solicitation Materials, (vii) the motion seeking approval by the Bankruptcy Court of the DIP Facility and the DIP Orders (including any declarations or affidavits submitted in support thereof) (the **“DIP Motion”**), (viii) the interim and final orders of the Bankruptcy Court approving the DIP Motion (the **“Interim DIP Order”** and the **“Final DIP Order,”** respectively, and, collectively, the **“DIP Orders”**), (ix) the Governance Documents, (x) documents relating to

any exit facility for the Reorganized Debtors, (xi) documents relating to the warrants to be received by holders of Notes under the Acceptable Plan, (xii) any other document that has or may have a material impact on the legal or economic rights of the Consenting Creditors, (xiii) all “first day” pleadings or papers, and (xiv) all material subsequent pleadings or papers, in each case, (a) including any amendments, modifications, and supplements thereto and any related notes, certificates, agreements, documents, and instruments (as applicable) and (b) which shall be subject to the consent rights set forth herein.

(i) “**Determination Period**” has the meaning set forth in the DIP Term Sheet.

(j) “**Determination Period Expiration Time**” has the meaning set forth in the DIP Term Sheet.

(k) “**Determination Period Purchase Option**” has the meaning set forth in the DIP Term Sheet.

(l) “**DIP Facility**” means the senior secured super-priority priming debtor-in-possession delayed draw term loan facility to be provided to the Western Global Parties on the terms set forth in the DIP Term Sheet and in accordance with the terms and conditions of the DIP Orders.

(m) “**DIP Loans**” means the loans provided under the DIP Facility.

(n) “**Disclosure Statement**” means the disclosure statement in respect of the Acceptable Plan, including, without limitation, all exhibits and schedules thereto, as supplemented or modified from time to time, to be approved by the Bankruptcy Court pursuant to the Disclosure Statement Order.

(o) “**Disclosure Statement Motion**” means a motion seeking approval of the Disclosure Statement Order.

(p) “**Disclosure Statement Order**” means the order (and all exhibits thereto) entered by the Bankruptcy Court approving the Disclosure Statement and the commencement of Solicitation (as amended, modified, or supplemented from time to time in accordance with the terms thereof).

(q) “**DKB DIP Lender**” has the meaning set forth in the DIP Term Sheet.

(r) “**Effective Date**” means the date upon which all conditions to the effectiveness of the Acceptable Plan have been satisfied or waived in accordance with the terms thereof and the Acceptable Plan becomes effective.

(s) “**Governance Documents**” means any corporate governance documents for the Reorganized Debtors, including any new or amended charter, bylaws, shareholder rights agreement, operating agreement, or other organization or formation documents, as applicable.

(t) “**Indebtedness**” means the Secured Loans, the DIP Loans or the Notes, as applicable.

(u) “**Interest**” means any equity security (as defined in section 101(16) of the Bankruptcy Code) of a Western Global Party, including all shares, common stock, preferred stock, or other instrument evidencing any fixed or contingent ownership interest in any Western Global Party, including any option, warrant, or other right, contractual or otherwise, to acquire any such interest in a Western Global Party, whether or not transferable and whether fully vested or vesting in the future, that existed immediately before the Effective Date.

(v) “**Purchase Option Exercise Deadline**” has the meaning set forth in the DIP Term Sheet.

(w) “**Purchase Option Payment Deadline**” has the meaning set forth in the DIP Term Sheet.

(x) “**Purchase Option Price**” has the meaning set forth in the DIP Term Sheet.

(y) “**Purchase Option Termination Deadline**” has the meaning assigned to such term in Section 6(b)(iii).

(z) “**Purchase Option Termination Events**” has the meaning set forth in Section 6(b)(iii).

(aa) “**Qualified Marketmaker**” means an entity that (i) holds itself out to the public or the applicable private markets as standing ready in the ordinary course of business to purchase from customers and sell to customers debt securities or other debt (or enter with customers into long and short positions in debt securities or other debt), in its capacity as a dealer or marketmaker in debt securities or other debt and (ii) is, in fact, regularly in the business of making a market in claims, interests or securities of or against issuers or borrowers (including debt securities or other debt).

(bb) “**Required Creditors**” means the Required DIP Lenders and the Required Holders.

(cc) “**Required Funding Group DIP Lenders**” has the meaning set forth in the DIP Term Sheet.

(dd) “**Reorganized Debtors**” means the Western Global Parties, as reorganized on the Effective Date.

(ee) “**Required DIP Lenders**” has the meaning set forth in the DIP Term Sheet.

(ff) “**Required Holders**” means, as of the date of determination, the Consenting Holders holding at least a majority of the aggregate principal amount of Notes held by all Consenting Holders.

(gg) “**Required Terminating Holders**” means, as of the date of determination, the Consenting Holders holding at least a majority of the aggregate principal amount of Notes held by all Consenting Holders, in each case without regard to Notes, if any, held by DKB Partners or its affiliates.

(hh) “**Rescinded Triggering Events of Default**” has the meaning set forth in the DIP Term Sheet

(ii) “**Rescission Termination Events**” has the meaning assigned to such term in Section 6(b)(ii).

(jj) “**Rescission Termination Deadline**” has the meaning assigned to such term in Section 6(b)(ii).

(kk) “**Securities Act**” means the Securities Act of 1933, as amended.

(ll) “**Solicitation**” means the solicitation of votes to accept or reject the Acceptable Plan.

(mm) “**Solicitation Materials**” means the solicitation materials approved by the Bankruptcy Court pursuant to the Disclosure Statement Order with respect to the Acceptable Plan, including the court-approved Disclosure Statement, form of ballots, and any other solicitation materials, including the solicitation version of the Acceptable Plan.

(nn) “**Support Effective Date**” means the date on which the conditions set forth in Section 2 of this Agreement have been satisfied or waived in accordance with the terms thereof.

(oo) “**Support Period**” means the period commencing on the Support Effective Date and ending on the earlier of the (i) date on which this Agreement is terminated as to a Party in accordance with Section 6 hereof and (ii) the Effective Date.

(pp) “**Triggering Event of Default Notice**” has the meaning set forth in the DIP Term Sheet.

(qq) “**Triggering Events of Default**” has the meaning set forth in the DIP Term Sheet.

With respect to any milestone or other reference of time herein, if the last day of such period falls on a Saturday, Sunday, or a “legal holiday,” as defined in Rule 9006(a) of the Federal Rules of Bankruptcy Procedure (the “**Bankruptcy Rules**”), such milestone or other reference of time shall be extended to the next such day that is not a Saturday, Sunday, or a “legal holiday,” as defined in Rule 9006(a) of the Bankruptcy Rules; *provided*, that any milestone with respect to a hearing date shall be subject to the Bankruptcy Court’s availability.

2. Effectiveness of this Agreement.

(a) The Support Effective Date shall occur on the date on which all of the following conditions have been satisfied or waived in accordance with this Agreement:

(i) each of the Western Global Parties shall have executed this Agreement and delivered counterpart signature pages of this Agreement to counsel to each of the other Parties;

(ii) the Secured Lender shall have executed this Agreement and delivered counterpart signature pages of this Agreement to counsel to each of the other Parties;

(iii) each of the DIP Lenders shall have executed this Agreement and delivered counterpart signature pages of this Agreement to counsel to each of the other Parties;

(iv) each of the Consenting Holders shall have executed this Agreement and delivered counterpart signature pages of this Agreement to counsel to each of the other Parties;

(v) the Company shall have executed that certain amendment to the engagement letter, dated May 30, 2023, between Ducera and Paul, Weiss, and delivered counterpart signature pages of such amendment to Ducera; and

(vi) the Company shall have paid or reimbursed all legal-related Ad Hoc Group Fees in each case incurred and invoiced prior to the Support Effective Date in connection with the Restructuring and/or negotiation and execution of this Agreement.

(b) This Agreement shall become effective and binding upon each Party on the Support Effective Date; *provided*, that (A) signature pages executed by Consenting Holders shall be delivered to other Consenting Creditors in a form that does not contain the details of the Consenting Holders' holdings and (B) the principal amount of outstanding Notes held by each Consenting Holder shall be as set forth on such Consenting Holder's signature page hereto, which shall be delivered to Weil, Gotshal & Manges LLP ("**Weil**") on behalf of the Company and Young Conaway Stargatt & Taylor, LLP ("**Young Conaway**") on behalf of DKB Partners, and kept strictly confidential by the Company (and to be held by Weil, Young Conaway, and Paul, Weiss on a professionals' eyes only basis); *provided, however*, that the Company may disclose publicly the aggregate principal amount of outstanding Notes set forth on all signature pages hereto.

3. Bankruptcy Process; Plan of Reorganization.

(a) Restructuring Term Sheet. The Restructuring Term Sheet is expressly incorporated herein and constitutes a part of this Agreement. All references to this Agreement shall be deemed to include the Restructuring Term Sheet. Certain material terms and conditions of the Restructuring are set forth in the Restructuring Term Sheet, which is supplemented by the terms and conditions of this Agreement. In the event of any inconsistency between the terms of this Agreement and the Restructuring Term Sheet, the Restructuring Term Sheet shall govern.

(b) Milestones. The following milestones shall apply to this Agreement (collectively, the "**Milestones**"), which in each case may be waived or extended in writing by the Required Creditors (electronic mail among counsel being sufficient):

(i) as soon as reasonably practicable, but in no event later than 5 calendar days after the Support Effective Date, the Company shall file with the Bankruptcy Court voluntary petitions for relief under chapter 11 of the Bankruptcy Code and any and all other documents necessary to commence the Chapter 11 Cases (the date of such commencement, the "**Petition Date**");

(ii) by no later than 3 days after the Petition Date, the Bankruptcy Court shall have entered the Interim DIP Order;

(iii) the Company shall file the Acceptable Plan, subject to the consent rights of the Parties set forth herein, and a disclosure statement in respect of the Acceptable Plan that is materially consistent with the Restructuring Term Sheet on or as soon as practicable after the Petition Date but in no event later than 15 calendar days after the Petition Date;

(iv) by no later than 35 days after the Petition Date, the Bankruptcy Court shall have entered the Final DIP Order;

(v) by no later than 55 calendar days after the Petition Date, the Bankruptcy Court shall have entered the Disclosure Statement Order;

(vi) by no later than 95 calendar days after the Petition Date, the Bankruptcy Court shall have entered the Confirmation Order; and

(vii) by no later than 109 calendar days after the Petition Date, the Effective Date shall have occurred (such date, the “**Outside Date**”).

4. Agreements of the Consenting Creditors.

(a) Voting; Support. Each Consenting Creditor, severally and not jointly, agrees that, during the Support Period, such Consenting Creditor shall:

(i) (A) to the extent applicable and subject to such Consenting Creditor’s timely receipt of the Solicitation Materials, (x) timely vote or cause to be voted its Claims (including, without limitation, all claims arising under the Credit Agreement or the Indenture) to accept the Acceptable Plan by casting and delivering its duly executed and completed ballot or ballots, as applicable, to accept the Acceptable Plan on a timely basis and (y) subject to Section 6(g), not change or withdraw such vote (or cause or direct such vote to be changed or withdrawn) and/or (B) otherwise consent to the treatment set forth in the Acceptable Plan in respect of its Claims (including, without limitation, all claims arising under the DIP Facility);

(ii) timely vote (or cause to be voted) its Claims against any plan, plan proposal, restructuring proposal, offer of dissolution, assignment for the benefit of creditors, winding up, liquidation, sale or disposition, reorganization, merger, business combination, joint venture, debt or equity financing or re-financing, recapitalization or other restructuring of the Company (including a transaction premised on an asset sale under section 363 of the Bankruptcy Code), in each case other than the Acceptable Plan (each, an “**Alternative Restructuring**”);

(iii) not directly or indirectly, through any person or entity (including, without limitation, any administrative agent or collateral agent), seek, solicit, propose, support, assist, engage in negotiations in connection with or participate in the formulation, preparation, filing or prosecution of any Alternative Restructuring or object to or take any

other action that is inconsistent with or that would reasonably be expected to prevent, interfere with, delay or impede the Chapter 11 Cases, the Solicitation, approval of the Disclosure Statement, or the confirmation and consummation of the Acceptable Plan and the consummation of the Restructuring;

(iv) agree to provide, and to not opt out of, the releases of third-party claims pursuant to the Acceptable Plan and the Confirmation Order, including of the Company, the Secured Lender, the Consenting Holders, the DIP Lenders, and the affiliates and subsidiaries of each of the foregoing and each of its and their respective current and former directors, officers, employees, agents, and professional advisors, in addition to any other parties included in the definition of “Released Parties” under the Acceptable Plan;

(v) not direct any administrative agent, collateral agent or indenture trustee (as applicable) to take any action inconsistent with such Consenting Creditor’s obligations under this Agreement and, if any applicable administrative agent, collateral agent or indenture trustee takes any action inconsistent with such Consenting Creditor’s obligations under this Agreement, such Consenting Creditor shall use its commercially reasonable efforts to inform such administrative agent, collateral agent or indenture trustee of such Consenting Creditor’s obligations under this Agreement and request that such administrative agent, collateral agent or indenture trustee withdraw or reverse any such action and cease and refrain from taking any further related action;

(vi) support and take all commercially reasonable actions reasonably requested by the Company to facilitate the Solicitation of the Acceptable Plan, obtain approval of the Disclosure Statement, and obtain confirmation and consummation of the Acceptable Plan and the Restructuring, including, without limitation, actions to obtain any necessary federal, state, and local regulatory approvals required to obtain confirmation and consummation of the Acceptable Plan; and

(vii) to the extent any legal, regulatory, or structural impediment arises that would prevent, hinder, or delay the consummation of the Restructuring, take all steps reasonably necessary and desirable to address any such impediment.

(b) Transfers. Each Consenting Creditor agrees that, during the Support Period, such Consenting Creditor shall not sell, transfer, loan, issue, pledge, hypothecate, assign or otherwise dispose of (each, a “**Transfer**”), directly or indirectly, in whole or in part, any of its Claims or any option thereon or any right or interest therein or any other claims against or interests in the Company (including the grant of any proxy or the deposit of any Claims against or Interests in the Company into a voting trust or the entry into a voting agreement with respect thereto), unless the transferee thereof either:

(i) is a Consenting Creditor; or

(ii) prior to such Transfer, agrees in writing for the benefit of the Parties to become a Consenting Creditor and to be bound by all of the terms of this Agreement applicable to Consenting Creditors (including with respect to any and all Claims or

Interests it already may hold against or in the Company prior to such Transfer) by executing a Joinder agreement in substantially the form attached hereto as **Exhibit B** (a “**Joinder Agreement**”), and delivering an executed copy thereof within two (2) business days of such execution, to (A) Weil, as counsel to the Company, (B) Paul, Weiss, as counsel to the Ad Hoc Group of DIP Lenders and Certain Creditors, and (C) Young Conaway, as counsel to the Secured Lender and certain DIP Lenders, in which event (x) the transferee shall be deemed to be a Consenting Creditor hereunder and (y) the transferor shall be deemed to relinquish its rights (and be released from its obligations) under this Agreement solely to the extent of such transferred rights and obligations but shall retain its rights and remain obligated under this Agreement to the extent of any Claims that such transferor continues to hold after giving effect to such Transfer; *provided* that a Consenting Creditor may Transfer its Claims to an entity that is acting in its capacity as a Qualified Marketmaker without the requirement that the Qualified Marketmaker execute a Joinder Agreement, *provided* further that (I) any subsequent Transfer by such Qualified Marketmaker of the right, title, or interest in such Claims is to a transferee that is or becomes a Consenting Creditor at the time of such Transfer and (II) the Qualified Marketmaker complies with Section (e) hereof.

To the extent that a Consenting Creditor is acting solely in its capacity as a Qualified Marketmaker, it may Transfer any right, title, or interest in such Claims that it acquires from a holder of the Claims who is not a Consenting Creditor without the requirement that the transferee be or become a Consenting Creditor.

(c) Void Transfers. Each Consenting Creditor agrees that any Transfer of any Claim that does not comply with the terms and procedures set forth herein shall be deemed *void ab initio*, and each other Party shall have the right to enforce the voiding of such Transfer.

(d) Additional Claims or Interests. To the extent any Consenting Creditor (i) acquires additional Claims, (ii) holds or acquires any other Claims entitled to vote on the Acceptable Plan, (iii) holds or acquires any Interests in the Company entitled to vote on the Acceptable Plan or (iv) Transfers any Claims, then, in each case, each such Consenting Creditor shall promptly (in no event less than five (5) business days following such acquisition or transaction) notify Weil of such transaction in writing and each such Consenting Creditor agrees with respect to (i) through (iii) above that such additional Claims or other claims or Interests shall be subject to this Agreement, and that, for the duration of the Support Period, vote (or cause to be voted) any such additional Claims or other claims or Interests entitled to vote on the Acceptable Plan in a manner consistent with Section 4(a) hereof.

(e) Obligations of Qualified Marketmaker. If at the time of a proposed Transfer of Claims to a Qualified Marketmaker, such Claims (i) may be voted on the Acceptable Plan, the proposed transferor Consenting Creditor must first vote such Claims in accordance with Section 4(a) or (ii) have not yet been and may not yet be voted on the Acceptable Plan and such Qualified Marketmaker does not Transfer such Claims or Interests to a subsequent transferee prior to the third (3rd) business day prior to the expiration of the applicable voting deadline (such date, the “**Qualified Marketmaker Joinder Date**”), such Qualified Marketmaker shall be required to (and the transfer documentation to the Qualified Marketmaker shall have provided that it shall), on the first (1st) business day immediately following the Qualified Marketmaker

Joinder Date, become a Consenting Creditor with respect to such Claims in accordance with the terms hereof (including the obligation to vote in favor of the Acceptable Plan) and shall vote in favor of the Acceptable Plan in accordance with the terms hereof; *provided*, that, the Qualified Marketmaker shall automatically, and without further notice or action, no longer be a Consenting Creditor with respect to such Claims at such time that the transferee of such Claims becomes a Consenting Creditor, with respect to such Claims.

(f) DIP and Secured Lender Remedies. Notwithstanding anything herein, nothing in this Agreement shall prohibit the DIP Lenders, each in their capacities as such, or the Secured Lender, in its capacity as such, from exercising any and all remedies to which the DIP Lenders and the Secured Lender, respectively, may be entitled under and in accordance with the DIP Orders.

The provisions of this Section 4 shall be incremental to, and shall not modify, supersede or otherwise alter, the requirements under the DIP Term Sheet or the DIP Orders regarding the assignment or transfer of the DIP Loans.

5. Agreements of the Company

(a) Covenants. Each of the Western Global Parties agrees that, during the Support Period, it shall:

(i) (A) use commercially reasonable efforts to obtain any and all required regulatory approvals to consummate the Restructuring, if any; and (B) not take any action that is inconsistent with or that would reasonably be expected to prevent, interfere with, delay or impede the Solicitation, approval of the Disclosure Statement, or the confirmation and consummation of the Acceptable Plan and the consummation of the Restructuring, in each case, to the extent consistent with, upon the advice of counsel, the fiduciary duties of the boards of directors, managers, members or partners, as applicable, of each Western Global Party; *provided* that the Company shall not be obligated to agree to any modification of any document that is inconsistent with the Restructuring Term Sheet unless amended pursuant to the terms hereof;

(ii) deliver draft copies of all material motions or applications, Definitive Documents, and other material documents related to the Restructuring the Company intends to file with the Bankruptcy Court to Paul, Weiss and Young Conaway, at least two (2) business days prior to the date when the Company intends to file any such document (provided that if delivery of such document at least two (2) business days in advance is impossible or not reasonably practicable under the circumstances, such document shall be delivered as soon as reasonably practicable prior to filing); *provided*, that copies of the Acceptable Plan, the Disclosure Statement, the Solicitation Materials, the proposed Confirmation Order, and any proposed amendments or modifications to the foregoing shall be provided to Paul, Weiss and Young Conaway at least three (3) business days prior to the date when the Company intends to file any such document (provided that if delivery of such document at least three (3) business days in advance is impossible or not reasonably practicable under the circumstances, such document shall be delivered as soon as reasonably practicable prior to filing);

(iii) not, directly or indirectly, through any person or entity, take any action that is inconsistent with, or that would reasonably be expected to prevent, interfere with, delay or impede the Chapter 11 Cases, the Solicitation, approval of the Disclosure Statement, the confirmation and consummation of the Acceptable Plan, and consummation of the Restructuring;

(iv) to the extent that any legal, regulatory, or structural impediment arises that would prevent, hinder, or delay the consummation of the transactions contemplated in this Agreement or the Acceptable Plan, take all steps reasonably necessary and desirable to address any such impediment;

(v) maintain its good standing under the laws of the state or other jurisdiction in which it is incorporated or organized;

(vi) as soon as reasonably practicable, notify the Consenting Creditors in writing of any governmental or third party complaints, litigations, investigations, or hearings (or communications indicating that the same may be contemplated or threatened) relating to the Restructuring;

(vii) use commercially reasonable efforts to oppose and object to the efforts of any person or entity seeking to object to, delay, impede, or take any other action to interfere with the acceptance, implementation, or consummation of the Restructuring Transactions, including, but not limited to, timely filing a formal objection to any motion filed with the Bankruptcy Court by a third party seeking the entry of an order (A) directing the appointment of a trustee or examiner (with expanded powers beyond those set forth in sections 1106(a)(3) and (4) of the Bankruptcy Code), (B) converting the Chapter 11 Cases to cases under chapter 7 of the Bankruptcy Code, (C) dismissing the Chapter 11 Cases, or (D) modifying or terminating the Company's exclusive right to file and/or solicit acceptances of a plan of reorganization, as applicable;

(viii) not seek, solicit, or support any Alternative Restructuring, other than the Restructuring, or cause or allow any of their agents or representatives to seek, solicit, or support any Alternative Restructuring, unless the board of directors of any Western Global Party determines, based on the advice of outside legal counsel, in good faith, and consistent with its fiduciary duties, that proceeding with the Restructuring would be inconsistent with the applicable fiduciary duties of such board of directors; and

(ix) to the extent not already paid or reimbursed in connection with the DIP Facility, upon the occurrence of the Effective Date, promptly pay or reimburse all Ad Hoc Group Fees in each case incurred during the Support Period in connection with the Chapter 11 Cases and/or the implementation and consummation of the Restructuring.

6. Termination of Agreement.

(a) This Agreement shall terminate (x) as to the Secured Lender, the DIP Lenders, and the Consenting Holders, automatically on the date that is three (3) business days after the occurrence and continuation of any Creditor Termination Event (subject to Section 6(b) or unless otherwise waived by the Secured Lender as to the Secured Lender, the Required DIP Lenders as

to the DIP Lenders, or the Required Holders as to the Consenting Holders), or (y) three (3) business days following the delivery of notice, delivered in accordance with Section 22 hereof, from the Western Global Parties at any time after and during the continuance of any Company Termination Event; *provided*, that, with respect to the foregoing clause (x), termination as to the Secured Lender, the DIP Lenders, or the Consenting Holders, respectively, shall only be effective as to the Secured Lender, the DIP Lenders, or the Consenting Holders, respectively. No Party may exercise any of its respective termination rights as set forth herein, and termination shall not be effective as to a Party, if (A) such Party is in breach of this Agreement (unless such failure to perform or comply arises as a result of another Party's actions or inactions), (B) such breach has caused, or resulted in, the occurrence of the Creditor Termination Event or Company Termination Event (as applicable) asserted by such Party as the basis for termination, and (C) such breach is continuing when such Party seeks to exercise any of its respective termination rights or when such termination would otherwise become effective. In addition, this Agreement shall terminate automatically on the Effective Date.

(b) In the event that a Triggering Event of Default Notice is delivered by the Required Funding Group DIP Lenders, this Agreement shall not be terminated as to or terminable by the Secured DIP Lender, the DIP Lenders or the Consenting Holders pursuant to clause (x) of Section 6(a) and, until the occurrence of either the Rescission Termination Deadline or the Purchase Option Termination Deadline, as applicable, may (i) only be terminated by the Consenting Holders pursuant to this Section 6(b) and (ii) not be terminated by the Secured Lender or the DIP Lenders. For the avoidance of doubt, notwithstanding the delivery of a Triggering Event of Default Notice, this Agreement may be terminated by the Western Global Parties at any time pursuant to Section 6(a)(y).

(i) Upon the delivery of a Triggering Event of Default Notice and the commencement of a Determination Period, the Western Global Parties shall, no later than 11:59 p.m. prevailing Eastern time on the calendar day after the delivery of such Triggering Event of Default Notice, provide notice to the Consenting Holders, delivered in accordance with Section 22 hereof, (A) informing the Consenting Holders that a Determination Period has commenced, (B) identifying the Determination Period Expiration Time (unless extended by the Required Funding Group DIP Lenders), and (C) identifying all Creditor Termination Events that are known to the Western Global Parties that have occurred and are continuing as of the date of such notice. At any time prior to the Rescission Termination Deadline or the Purchase Option Termination Deadline, the Required Terminating Holders may terminate this Agreement (with immediate effect) on the basis of such Creditor Termination Events or any other Creditor Termination Event that has occurred and is continuing by providing notice to each other Party in accordance with Section 22 hereof.

(ii) If, before the Determination Period Expiration Time, the Required Funding Group DIP Lenders issue a notice waiving all Rescinded Triggering Events of Default, the Western Global Parties shall, no later than 11:59 p.m. prevailing Eastern time on the calendar day after the date of such resolution, provide notice to the Consenting Holders, delivered in accordance with Section 22 hereof, (A) informing the Consenting Holders that Determination Period has concluded, (B) identifying each Rescinded Triggering Event of Default that has occurred and was resolved, and

(C) identifying all Creditor Termination Events known to the Western Global Parties that have occurred and are continuing as of the date of such notice. The Required Terminating Holders may terminate this Agreement (with immediate effect) on the basis of such Creditor Termination Events or any other Creditor Termination Event known by the Consenting Creditors as of the date of such notice that has occurred and is continuing (collectively, the “**Rescission Termination Events**”), by providing notice to each other Party, delivered in accordance with Section 22 hereof no later than 11:59 p.m. prevailing Eastern time one business day after the date such notice is delivered (the “**Rescission Termination Deadline**”). If the Required Terminating Holders do not terminate this Agreement by the Rescission Termination Deadline, each Rescission Termination Event shall be deemed waived by the Consenting Holders. For the avoidance of doubt, any Rescission Termination Events shall be waived and shall not give rise to another Creditor Termination Event in respect of the same event, occurrence, action or inaction, and such waiver shall be without prejudice to the rights and remedies of the Consenting Creditors other than with respect to the Rescission Termination Events.

(iii) If the Determination Period Expiration Time occurs and the DKB DIP Lender exercises the Determination Period Purchase Option prior to the Purchase Option Exercise Deadline, the Western Global Parties shall, no later than 11:59 p.m. prevailing Eastern time on the calendar day after the date of such exercise provide notice to the Consenting Holders, delivered in accordance with Section 22 hereof, that (A) the Determination Period Purchase Option has been exercised, and (B) identifying all Creditor Termination Events known to the Western Global Parties that have occurred and are continuing as of the date of such notice. The Required Terminating Holders may terminate this Agreement (with immediate effect) on the basis of such Creditor Termination Events or any other Creditor Termination Event known by the Consenting Creditors as of the date of such notice that has occurred and is continuing (collectively, the “**Purchase Option Termination Events**”), by providing notice to each other Party, delivered in accordance with Section 22 hereof no later than 8:30 a.m. prevailing Eastern time two business days after the date such notice is delivered (the “**Purchase Option Termination Deadline**”). If the Required Terminating Holders do not terminate this Agreement by the Purchase Option Termination Deadline, each Purchase Option Termination Event shall be deemed waived by the Consenting Holders. For the avoidance of doubt, any Purchase Option Termination Events shall be waived and shall not give rise to another Purchase Option Termination Event in respect of the same event, occurrence, action or inaction, and such waiver shall be without prejudice to the rights and remedies of the Consenting Creditors other than with respect to the Purchase Option Termination Events.

(iv) If the Carve-Out Trigger Date occurs following the Determination Period Expiration Time because (A) the DKB DIP Lender does not exercise the Determination Period Purchase Option prior to the Purchase Option Exercise Deadline or (B) the DKB DIP Lender exercises the Determination Period Purchase Option but does not pay the Purchase Option Price by the Purchase Option Payment Deadline, this Agreement shall automatically terminate as to the Secured Lender, the DIP Lenders, and the Consenting Holders on the Carve-Out Trigger Date.

(c) A “Creditor Termination Event” shall mean any of the following:

(i) the breach by the Company of any of the undertakings, representations, warranties or covenants of the Company set forth herein in any material respect which remains uncured for a period of five (5) business days after the receipt of written notice of such breach in accordance with Section 22 hereof;

(ii) the issuance by any governmental authority, including any regulatory authority or court of competent jurisdiction, of any ruling, judgment, order, or other action enjoining or otherwise prohibiting the consummation of a material portion of the Restructuring Transactions, rendering illegal the Acceptable Plan or the Restructuring, or imposing a condition that would reasonably be expected to materially prevent or impede the implementation or consummation of a material portion of the Restructuring Transactions, and such ruling, judgment, order, or other action has not been stayed, reversed or vacated within ten (10) business days after such issuance;

(iii) the Bankruptcy Court granting relief that is (A) inconsistent with this Agreement in any material respect or (B) would, or would reasonably be expected to, materially frustrate the purposes of this Agreement, including by preventing the consummation of the Restructuring Transactions, in each case unless the Debtors have sought a stay of such relief within five (5) business days after the date that the Bankruptcy Court grants such relief and such order is stayed, reversed, or vacated within ten (10) business days after the date that the Bankruptcy Court grants such relief;

(iv) the failure of the Company to meet any Milestone set forth in Section 3(b) that has not been waived or extended in a manner consistent with this Agreement;

(v) the Bankruptcy Court entering an order granting relief from the automatic stay imposed by section 362 of the Bankruptcy Code authorizing any party to proceed with regard to any material portion of the assets of the Debtors and such relief would or would be reasonably expected to materially delay or impede the implementation of the Restructuring Transactions;

(vi) the Company filing or modifying any Definitive Document that includes terms that are inconsistent with this Agreement or to which the Company has not obtained the requisite consent of the Required DIP Lenders and the Required Holders as set forth in Section 7(b), in each case except as permitted pursuant to Section 10, and such event remains unremedied for a period of five (5) business days following the Company Parties’ receipt of notice pursuant to Section 22 hereto (as applicable);

(vii) any Western Global Party (A) filing any chapter 11 plan other than the Acceptable Plan or (B) revoking or withdrawing the Acceptable Plan, in whole or in part, or its support for the Acceptable Plan, in each case in a manner that is not consistent with this Agreement in all material respects;

(viii) any Western Global Party (A) publicly announcing its intention to pursue an Alternative Restructuring or (B) entering into definitive documentation with respect to an Alternative Restructuring;

(ix) the Bankruptcy Court rendering a ruling against confirmation of the Acceptable Plan, the effect of which would render the Acceptable Plan incapable of confirmation and consummation on the terms set forth herein;

(x) the Bankruptcy Court entering an order that is not stayed (A) directing the appointment of an examiner with expanded powers beyond those set forth in section 1106(a)(3) and (4) of the Bankruptcy Code or a trustee with authority to operate the Company's business in one or more of the Chapter 11 Cases; (B) converting one or more of the Chapter 11 Cases to cases under chapter 7 of the Bankruptcy Code; (C) dismissing the Chapter 11 Cases; (D) terminating any Western Global Party's exclusive right to file and solicit acceptances of a plan of reorganization; or (E) rejecting this Agreement; or

(xi) the filing of a motion or application by any Western Global Party seeking an order (without the prior written consent of the Required Creditors) (A) appointing of an examiner with expanded powers beyond those set forth in section 1106(a)(3) and (4) of the Bankruptcy Code or a trustee with authority to operate the Company's business in one or more of the Chapter 11 Cases; (B) converting one or more of the Chapter 11 Cases to cases under chapter 7 of the Bankruptcy Code; (C) dismissing the Chapter 11 Cases; or (D) rejecting this Agreement;

(xii) the acceleration of the obligations under the DIP Facility; or

(xiii) the termination of this Agreement as to (A) the Secured Lender, the Required DIP Lenders, or the Required Holders in accordance with this Section 6(c) or (B) any Western Global Party in accordance with Section 6(d).

(d) A "Company Termination Event" shall mean any of the following:

(i) the breach by one or more of the Consenting Creditors of any of the undertakings, representations, warranties or covenants of the applicable Consenting Creditors set forth herein in any material respect which remains uncured for a period of three (3) business days after the receipt of written notice of such breach pursuant to Sections 5(a) and 22 hereof (as applicable), but only if (a) with respect to a breach by any of the DIP Lenders, the remaining non-breaching DIP Lenders do not constitute the Required DIP Lenders, and (b) with respect to a breach by any of the Consenting Holders, the remaining non-breaching Consenting Holders do not hold at least 66 $\frac{2}{3}$ % of the aggregate principal amount of the outstanding Notes;

(ii) the board of directors, managers, members or partners (or comparable governing body), as applicable, of any Western Global Party reasonably determines in good faith based upon the advice of outside counsel that continued performance under this Agreement or pursuit of the Restructuring Transactions would be inconsistent with the exercise of its fiduciary duties under applicable law;

(iii) if, as of 11:59 p.m. prevailing Eastern Time on the date that is five (5) business days after the Outside Date, the Effective Date shall not have occurred, but only if such Milestone has not been waived or extended in a manner consistent with this Agreement;

(iv) the issuance by any governmental authority, including any regulatory authority or court of competent jurisdiction, of any ruling, judgment, order, or other action enjoining or otherwise prohibiting the consummation of a material portion of the Restructuring Transactions, rendering illegal the Acceptable Plan or the Restructuring, or imposing a condition that would reasonably be expected to materially prevent or impede the implementation or consummation of a material portion of the Restructuring Transactions, and such ruling, judgment, order, or other action has not been stayed, reversed or vacated within ten (10) business days after such issuance;

(v) the termination of this Agreement by any Consenting Creditor in accordance with Section 6(c), but only if (a) with respect to a termination by any of the DIP Lenders, the remaining non-breaching DIP Lenders do not constitute the Required DIP Lenders, and (b) with respect to a termination by any of the Consenting Holders, the remaining non-breaching Consenting Holders do not hold at least 66⅔% of the aggregate principal amount of the outstanding Notes; or

(vi) the Bankruptcy Court entering an order that is not stayed (A) directing the appointment of an examiner with expanded powers beyond those set forth in section 1106(a)(3) and (4) of the Bankruptcy Code or a trustee with authority to operate the Company's business in one or more of the Chapter 11 Cases; (B) converting one or more of the Chapter 11 Cases to cases under chapter 7 of the Bankruptcy Code; (C) dismissing the Chapter 11 Cases; (D) terminating any Western Global Party's exclusive right to file and solicit acceptances of a plan of reorganization; or (E) rejecting this Agreement.

(e) Mutual Termination. This Agreement may be terminated by mutual agreement of the Company and the Required Creditors upon the receipt of written notice delivered in accordance with Section 22 hereof.

(f) Effect of Termination. Subject to the proviso contained in Section 6(a) hereof, upon the termination of this Agreement in accordance with this Section 6, and except as provided in Section 13 hereof, this Agreement shall forthwith become void and of no further force or effect and each Party shall, except as provided otherwise in this Agreement, be immediately released from its liabilities, obligations, commitments, undertakings and agreements under or related to this Agreement and shall have all the rights and remedies that it would have had and shall be entitled to take all actions, whether with respect to the Restructuring or otherwise, that it would have been entitled to take had it not entered into this Agreement, including all rights and remedies available to it under applicable law; *provided*, that in no event shall any such termination relieve a Party from liability for its breach or non-performance of its obligations hereunder prior to the date of such termination.

(g) Revocation of Vote. Upon a termination of this Agreement as to a Consenting Creditor, such Consenting Creditor may revoke its vote or any consents given prior to such termination, whereupon any such vote or consent shall be deemed, for all purposes, to be null and void *ab initio* and shall not be considered or otherwise used in any manner by the Parties in connection with the Restructuring and this Agreement. If this Agreement has been terminated as to any Consenting Creditor in accordance with Section 6 hereof at a time when permission of the Bankruptcy Court shall be required for a change or withdrawal (or cause to change or withdraw)

of its vote to accept the Acceptable Plan, the Company shall not oppose any attempt by such Consenting Creditor to change or withdraw (or cause to change or withdraw) such vote at such time.

(h) Individual Termination. Any Consenting Creditor may terminate this Agreement as to itself only, upon written notice to the other Parties in accordance with Section 22 hereof, in the event that such Consenting Creditor has transferred all (but not less than all) of its Claims, as applicable, in accordance with Section 4(b) of this Agreement (such termination shall be effective on the date on which such Consenting Creditor has effected such transfer, satisfied the requirements of Section 4(b) and provided the written notice required).

(i) If the Restructuring Transactions are not consummated, nothing herein shall be construed as a waiver by any Party of any or all of such Party's rights and the Parties expressly reserve any and all of their respective rights. Pursuant to Federal Rule of Evidence 408 and any other applicable rules of evidence, this Agreement and all negotiations relating hereto shall not be admissible into evidence in any proceeding other than a proceeding to enforce its terms.

(j) Notwithstanding anything herein to the contrary, in the event that DKB Partners purchases and receives an assignment of the DIP Loans from the other DIP Lenders in accordance with the DIP Term Sheet (such transaction, a "**DIP Buyout**" and the DIP Lenders that have sold and assigned their DIP Loans, the "**Transferring DIP Lenders**"), this Agreement and the obligations of the Parties hereunder shall continue in full force and effect to the extent set forth herein. For the avoidance of doubt, in the event of a DIP Buyout, each Transferring DIP Lender that is a Consenting Noteholder shall remain party to this Agreement in such capacity.

7. Definitive Documents; Good Faith Cooperation; Further Assurances.

(a) The Definitive Documents not executed or in a form attached to this Agreement as of the Support Effective Date remain subject to negotiation and completion. Each Party hereby covenants and agrees to cooperate with each other in good faith in connection with, and shall exercise commercially reasonable efforts with respect to the pursuit, approval, negotiation, execution, delivery, implementation and consummation of the Definitive Documents. Upon completion, the Definitive Documents and every other document, deed, agreement, filing, notification, letter or instrument related to the Restructuring Transactions shall contain terms, conditions, representations, warranties, and covenants consistent with the terms of this Agreement, as they may be modified, amended, or supplemented in accordance with Section 10.

(b) The Definitive Documents not executed or in a form attached to this Agreement as of the Support Effective Date shall be consistent with this Agreement and in form and substance (x) acceptable to the Company and the Required DIP Lenders and (y) reasonably acceptable to the Required Holders.

8. Representations and Warranties.

(a) Each Party, severally and not jointly, represents and warrants to the other Parties that the following statements are true and correct as of the date hereof (or as of the date a Consenting Creditor becomes a party hereto):

(i) such Party is validly existing and in good standing under the laws of its jurisdiction of incorporation or organization, and has all requisite corporate, partnership, limited liability company or similar authority to enter into this Agreement and carry out the transactions contemplated hereby and perform its obligations contemplated hereunder; and the execution and delivery of this Agreement and the performance of such Party's obligations hereunder have been duly authorized by all necessary corporate, limited liability company, partnership or other similar action on its part;

(ii) the execution, delivery and performance by such Party of this Agreement does not and will not (A) violate any material provision of law, rule or regulation applicable to it or any of its subsidiaries or its charter or bylaws (or other similar governing documents) or those of any of its subsidiaries, or (B) conflict with, result in a breach of or constitute (with due notice or lapse of time or both) a default under any material contractual obligation to which it or any of its subsidiaries is a party except, in the case of the Company, for the filing of the Chapter 11 Cases;

(iii) the execution, delivery and performance by such Party of this Agreement does not and will not require any material registration or filing with, consent or approval of, or notice to, or other action, with or by, any federal, state or governmental authority or regulatory body, except such filings as may be necessary and/or required by the U.S. Securities and Exchange Commission or other securities regulatory authorities under applicable securities laws; and

(iv) this Agreement is the legally valid and binding obligation of such Party, enforceable against it in accordance with its terms, except as enforcement may be limited by bankruptcy, insolvency, reorganization, moratorium or other similar laws relating to or limiting creditors' rights generally or by equitable principles relating to enforceability or a ruling of the Bankruptcy Court.

(b) Each Consenting Creditor severally (and not jointly) represents and warrants to the Company that, as of the date hereof (or as of the date such Consenting Creditor becomes a party hereto), such Consenting Creditor (i) is the beneficial owner of the principal amount of Indebtedness set forth on its signature page hereto (or below its name on the signature page of a Joinder Agreement for any Consenting Creditor that becomes a party hereto after the date hereof) and does not beneficially own any other Indebtedness, and/or (ii) has, with respect to the beneficial owners of such Indebtedness, (A) sole investment or voting discretion with respect thereto, (B) full power and authority to vote on and consent to matters concerning such Indebtedness or to exchange, assign and transfer such Indebtedness, and (C) full power and authority to bind or act on the behalf of, such beneficial owners.

(c) Each Consenting Creditor severally (and not jointly) makes the representations and warranties set forth in Section 23(c) hereof, in each case, to the other Parties.

9. Disclosure; Publicity.

The Company shall deliver drafts to Paul, Weiss and Young Conaway of any press releases that constitute disclosure of the existence or terms of the Restructuring, this Agreement

or any amendment to the terms of the Restructuring or this Agreement at least twenty-four (24) hours prior to making any such disclosure or, if such delivery twenty-four (24) hours prior to disclosure is not possible, as soon as reasonably practicable prior to disclosure. Except as required by applicable law or otherwise permitted under the terms of any other agreement between the Company and any Consenting Holder, no Party or its advisors shall disclose to any person (including any other Party), other than advisors to the Company, the principal amount or percentage of any Notes held by any Consenting Holder, in each case, without such Consenting Holder's consent; *provided, however*, that (i) if such disclosure is required by law, subpoena, or other legal process or regulation, the disclosing Party shall afford the relevant Consenting Holder a reasonable opportunity to review and comment in advance of such disclosure and shall take all reasonable measures to limit such disclosure (the expense of which, if any, shall be borne by the relevant Consenting Holder) and (ii) the foregoing shall not prohibit the disclosure of the aggregate percentage or aggregate principal amount of Notes held by all the Consenting Holders, collectively. Any public filing of this Agreement, with the Bankruptcy Court or otherwise, and any version of this Agreement shared with Consenting Holders generally, shall omit the holdings of each individual Consenting Holder as set forth on such Consenting Holder's signature page hereto or shall include such signature page only in redacted form with respect to the holdings of each Consenting Holder (provided that the holdings on such signature page(s) may be filed in unredacted form with the Bankruptcy Court under seal to the extent required by the Bankruptcy Court). Notwithstanding the provisions in this Section 9, if consented to in writing by a Consenting Creditor, any Party hereto may disclose such Consenting Creditor's holdings.

10. Amendments and Waivers.

(a) Other than as set forth in Section 10(b), this Agreement, including any exhibits hereto, may not be modified, amended or supplemented or the performance of any obligation thereunder waived except with the written consent of the Company and the Required Creditors.

(b) Notwithstanding Section 10(a):

(i) any waiver, modification, amendment or supplement to this Section 10 or Section 18 shall require the written consent of each of the Parties; and

(ii) any change, modification or amendment to this Agreement or the Acceptable Plan that treats or affects any Consenting Creditor in a manner that is material and adversely disproportionate, on an economic basis, to the manner in which any of the other Consenting Creditors are treated (after taking into account each of the Consenting Creditors' respective Claims and the recoveries contemplated by the Acceptable Plan (as set forth in the Restructuring Term Sheet annexed hereto) shall require the written consent of such adversely affected Consenting Creditor.

(c) In the event that an adversely disproportionately affected Consenting Holder ("**Non-Consenting Holder**") does not consent to a waiver, change, modification or amendment to this Agreement requiring the consent of such Non-Consenting Holder pursuant to this Section 10(b)(ii), but such waiver, change, modification or amendment receives the consent of Consenting Holders owning at least 66⅔% of the aggregate principal amount of the outstanding Notes, such waiver, change, modification or amendment shall not be effective as to such Non-

Consenting Holder, but shall be in full force and effect as to all other Consenting Holders, and this Agreement shall be deemed to have been terminated only as to such Non-Consenting Holders, but this Agreement shall continue in full force and effect in respect to all other Consenting Holders.

11. GOVERNING LAW; JURISDICTION; WAIVER OF JURY TRIAL.

(a) This Agreement shall be construed and enforced in accordance with, and the rights of the parties shall be governed by, the law of the State of New York, without giving effect to the conflict of laws principles thereof.

(b) Each of the Parties irrevocably agrees that any legal action, suit or proceeding arising out of or relating to this Agreement brought by any party or its successors or assigns shall be brought and determined in any federal or state court in the Borough of Manhattan in the City of New York (“**NY Courts**”) and each of the Parties hereby irrevocably submits to the exclusive jurisdiction of the aforesaid courts for itself and with respect to its property, generally and unconditionally, with regard to any such proceeding arising out of or relating to this Agreement or the Restructuring Transactions. Each of the Parties agrees not to commence any proceeding relating hereto or thereto except in the NY Courts other than proceedings in any court of competent jurisdiction to enforce any judgment, decree or award rendered by any NY Courts. Each of the Parties further agrees that notice as provided herein shall constitute sufficient service of process and the Parties further waive any argument that such service is insufficient. Each of the Parties hereby irrevocably and unconditionally waives, and agrees not to assert, by way of motion or as a defense, counterclaim or otherwise, in any proceeding arising out of or relating to this Agreement or the Restructuring, (i) any claim that it is not personally subject to the jurisdiction of the NY Courts for any reason, (ii) that it or its property is exempt or immune from jurisdiction of any such court or from any legal process commenced in such courts (whether through service of notice, attachment prior to judgment, attachment in aid of execution of judgment, execution of judgment or otherwise) and (iii) that (A) the proceeding in any such court is brought in an inconvenient forum, (B) the venue of such proceeding is improper or (C) this Agreement, or the subject matter hereof, may not be enforced in or by such courts. Notwithstanding the foregoing, during the pendency of the Chapter 11 Cases, all proceedings contemplated by this Section 11(b) shall be brought in the Bankruptcy Court and each Party irrevocably and unconditionally consents to the jurisdiction and venue of the Bankruptcy Court to hear and determine such matters during the pendency of the Chapter 11 Cases.

(c) EACH PARTY HEREBY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY (I) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (II) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.

12. Specific Performance/Remedies.

It is understood and agreed by the Parties that money damages would not be a sufficient remedy for any breach of this Agreement by any Party and each non-breaching Party shall be entitled to specific performance and injunctive or other equitable relief (including attorneys' fees and costs) as a remedy of any such breach, without the necessity of proving the inadequacy of money damages as a remedy, including an order of the Bankruptcy Court requiring any Party to comply promptly with any of its obligations hereunder. Each Party also agrees that it will not seek, and will waive any requirement for, the securing or posting of a bond in connection with any Party seeking or obtaining such relief. All rights, powers, and remedies provided under this Agreement or otherwise available at law or in equity will be cumulative and not alternative, and the exercise of any right, power, or remedy by any Party will not preclude the simultaneous or later exercise of any other such right, power, or remedy by such Party or any other person or entity.

13. Survival.

Notwithstanding the termination of this Agreement pursuant to Section 6 hereof, the agreements and obligations of the Parties in this Section 13, and Sections 5(a)(ix) (with respect to any Ad Hoc Group Fees that are accrued and unpaid through the end of the Support Period), 6(f), 6(g), 6(h), 9, 11, 12, 15, 16, 17, 18, 19, 20, and 21 hereof (and any defined terms used in any such Sections) shall survive such termination and shall continue in full force and effect in accordance with the terms hereof; *provided*, however, that any liability of a Party for failure to comply with the terms of this Agreement shall survive such termination.

14. Headings.

The headings of the sections, paragraphs and subsections of this Agreement are inserted for convenience only and shall not affect the interpretation hereof or, for any purpose, be deemed a part of this Agreement.

15. Successors and Assigns; Severability; Several Obligations.

This Agreement is intended to bind and inure to the benefit of the Parties and their respective successors, permitted assigns, heirs, executors, administrators and representatives; *provided, however*, that, during the Support Period, nothing contained in this Section 15 shall be deemed to permit Transfers of the Indebtedness or claims arising under the Indebtedness other than in accordance with the express terms of this Agreement. If any provision of this Agreement, or the application of any such provision to any person or entity or circumstance, shall be held invalid or unenforceable in whole or in part, such invalidity or unenforceability shall attach only to such provision or part thereof and the remaining part of such provision hereof and this Agreement shall continue in full force and effect so long as the economic or legal substance of the transactions contemplated hereby is not affected in any manner materially adverse to any Party. Upon any such determination of invalidity, the Parties shall negotiate in good faith to modify this Agreement so as to effect the original intent of the Parties as closely as possible in a reasonably acceptable manner in order that the transactions contemplated hereby are consummated as originally contemplated to the greatest extent possible.

16. Relationship Among Parties.

Notwithstanding anything herein to the contrary, (a) the duties and obligations of the Parties under this Agreement shall be several, not joint and several; (b) no Party shall have any responsibility by virtue of this Agreement for any trading by any other entity; (c) no prior history, pattern, or practice of sharing confidences among or between the Parties shall in any way affect or negate this Agreement; (d) the Parties hereto acknowledge that this Agreement does not constitute an agreement, arrangement, or understanding with respect to acting together for the purpose of acquiring, holding, voting, or disposing of any equity securities of the Western Global Parties and the Parties do not constitute a “group” within the meaning of Rule 13d-5 under the Securities Exchange Act of 1934, as amended; (e) none of the Consenting Holders shall have any fiduciary duty, any duty of trust or confidence in any form, or other duties or responsibilities in any kind or form to each other, the Western Global Parties or any of the Western Global Parties’ other lenders or stakeholders, including as a result of this Agreement or the transactions contemplated herein or in any exhibit hereto; and (f) no action taken by any Party pursuant to this Agreement shall be deemed to constitute or to create a presumption by any of the Parties that the Parties are in any way acting in concert or as a “group.”

17. No Third-Party Beneficiaries.

Unless expressly stated herein, this Agreement shall be solely for the benefit of the Parties and no other person or entity shall be a third-party beneficiary hereof.

18. No Additional Liability.

Notwithstanding any other provisions of this Agreement, nothing in this Agreement shall require any Consenting Creditor to incur any expenses, liabilities, or other obligations resulting in out-of-pocket monetary costs, or agree to any commitments, undertakings, concessions, indemnities, grants of liens or security interests, or other arrangements that could result in expenses, liabilities, or other obligations resulting in out-of-pocket monetary costs to any Consenting Creditor; *provided*, that nothing in this clause shall serve to otherwise limit, alter, or modify any Consenting Creditor’s obligations under the terms of the DIP Facility or any Definitive Document (including this Agreement) to which such Consenting Creditor is or will be a party.

19. Prior Negotiations; Entire Agreement.

This Agreement, including the Restructuring Term Sheet and the other exhibits hereto, constitutes the entire agreement of the Parties, and supersedes all other prior negotiations, with respect to the subject matter hereof and thereof, except that the Parties acknowledge that any confidentiality agreements (if any) heretofore executed between the Company and each Consenting Creditor shall continue in full force and effect solely with respect to any then-continuing obligations thereunder.

20. Reservation of Rights.

(a) Except as expressly provided in this Agreement or the Restructuring Term Sheet, nothing herein is intended to, or does, in any manner waive, limit, impair, or restrict the ability of

any Party to protect and preserve its rights, remedies and interests, including, without limitation, its claims against any of the other Parties.

(b) Without limiting clause (a) of this Section 20 in any way, if this Agreement is terminated for any reason, nothing shall be construed herein as a waiver by any Party of any or all of such Party's rights, remedies, claims, and defenses and the Parties expressly reserve any and all of their respective rights, remedies, claims and defenses. This Agreement, the Acceptable Plan, and any related document shall in no event be construed as or be deemed to be evidence of an admission or concession on the part of any Party of any claim or fault or liability or damages whatsoever. Each of the Parties denies any and all wrongdoing or liability of any kind and does not concede any infirmity in the claims or defenses which it has asserted or could assert.

21. Counterparts.

This Agreement may be executed in several counterparts, each of which shall be deemed to be an original, and all of which together shall be deemed to be one and the same agreement. Execution copies of this Agreement may be delivered by electronic mail or otherwise, which shall be deemed to be an original for the purposes of this paragraph.

22. Notices.

All notices hereunder shall be deemed given if in writing and delivered, if contemporaneously sent by electronic mail, courier or by registered or certified mail (return receipt requested) to the following addresses:

(1) If to the Company, to:

Western Global Airlines, Inc.
9260 Estero Park Commons Blvd.
Suite 200
Estero, FL 33928
Attention: Robert Del Genio
(robert.delgenio@fticonsulting.com)
Tim McDonagh
(tim.mcdonagh@fticonsulting.com)
Marc Sullivan
(marc.sullivan@westernglobal.aero)

With a copy to:

Weil, Gotshal & Manges LLP
767 Fifth Avenue
New York, NY 10153
Attention: Gary T. Holtzer, Esq.
(gary.holtzer@weil.com)
Candace M. Arthur, Esq.
(candace.arthur@weil.com)
Jason H. George, Esq.
(jason.george@weil.com)

(2) If to the Secured Lender or DKB Partners, in its capacity as a DIP Lender, to:

DKB Partners LLC
7892 Fisher Island Drive
Fisher Island, FL 33109
Attention: James (Jim) Neff
Email: jim@neffair.com

With a copy to:

Young Conaway Stargatt & Taylor, LLP
Rodney Square, 1000 North King Street
Wilmington, DE 19801
Attention: Pauline Morgan, Esq.
(pmorgan@ycst.com)
Craig D. Gear, Esq.
(cgear@ycst.com)
Sean Greecher
(sgreecher@ycst.com)

(3) If to a member of the Ad Hoc Group of DIP Lenders and Certain Creditors, to the addresses set forth below following such party's signature, as the case may be, with copies to:

Paul, Weiss, Rifkind, Wharton & Garrison LLP
1285 Avenue of the Americas
New York, NY 10019
Attention: Alice Eaton, Esq.
(aeaton@paulweiss.com)
Sean Mitchell
(smitchell@paulweiss.com)
Kyle R. Satterfield
(ksatterfield@paulweiss.com)

Any notice given by delivery, mail or courier shall be effective when received. Any notice given by electronic mail shall be effective upon oral, machine or electronic mail (as applicable) confirmation of transmission.

23. No Solicitation; Representation by Counsel; Adequate Information.

(a) This Agreement is not and shall not be deemed to be a solicitation for votes in favor of the Acceptable Plan in the Chapter 11 Cases from the Consenting Creditors. The acceptances of the Consenting Creditors with respect to the Acceptable Plan will not be solicited until such Consenting Creditors have received the Solicitation Materials (as approved by the Bankruptcy Court).

(b) Each Party acknowledges that it has had an opportunity to receive information from the Company and that it has been represented by counsel in connection with this Agreement and the transactions contemplated hereby. Accordingly, any rule of law or any legal decision that would provide any Party with a defense to the enforcement of the terms of this Agreement against such Party based upon lack of legal counsel shall have no application and is expressly waived.

(c) Each Consenting Creditor acknowledges, agrees and represents to the other Parties that it (i) is a “qualified institutional buyer” as such term is defined in Rule 144A of the Securities Act or a non-US person participating in the offering outside the United States in reliance on Regulation S under the Securities Act, (ii) is an “accredited investor” as such term is defined in Rule 501 of Regulation D of the Securities Act, (iii) understands that if it is to acquire any securities, as defined in the Securities Act, pursuant to the Restructuring, such securities have not been registered under the Securities Act and that such securities are, to the extent not acquired pursuant to section 1145 of the Bankruptcy Code, being offered and sold pursuant to an exemption from registration contained in the Securities Act, based in part upon such Consenting Creditor’s representations contained in this Agreement and cannot be sold unless subsequently registered under the Securities Act or an exemption from registration is available and (iv) has such knowledge and experience in financial and business matters that such Consenting Creditor is capable of evaluating the merits and risks of the securities to be acquired by it (if any) pursuant to the Restructuring and understands and is able to bear any economic risks with such investment.

24. Other Support Agreements.

During the Support Period, no Western Global Party shall enter into any other restructuring support agreement related to a partial or total restructuring of the Company unless such support agreement is consistent in all respects with the Restructuring Term Sheet and is reasonably acceptable to the Required Creditors.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed and delivered by their respective duly authorized officers, solely in their respective capacity as officers of the undersigned and not in any other capacity, as of the date first set forth above.

WESTERN GLOBAL PARTIES

WESTERN GLOBAL AIRLINES, INC.

By: _____
Name: [●]
Title: [●]

KELDANN AIR LLC; JIMSUNN AIR LLC;
B26344 LLC; B26356 LLC; M48411 LLC;
M48412 LLC; M48415 LLC; M48435 LLC;
M48512 LLC; M48513 LLC; M48542 LLC;
M48543 LLC; M48544 LLC; M48545 LLC;
M48546 LLC; M48581 LLC; MOBILITY AIR,
LLC; AND NCF680C2 LLC

By: _____
Name: [●]
Title: [●]

SECURED LENDER

[•]

By: DKB Partners LLC

Name: [•]

Title: [•]

Principal Amount of Revolving Loans: \$ _____

Principal Amount of Term Loans: \$ _____

Notice Address:

[•]

Attention: [•]

Email: [•]

DIP LENDER

[•]

By: [•]

Name: [•]

Title: [•]

Principal Amount of DIP Loans: \$ _____

Notice Address:

[•]

Attention: [•]

Email: [•]

CONSENTING HOLDER

[•]

By: [•]

Name: [•]

Title: [•]

Principal Amount of Notes: \$ _____

Notice Address:

[•]

Attention: [•]

Email: [•]

EXHIBIT A

Restructuring Term Sheet

Western Global Airlines, Inc.

Restructuring Term Sheet

Restructuring Term Sheet

Summary Transaction Terms

<p>Structure & Implementation</p>	<ul style="list-style-type: none"> ■ Total funding of \$131.0 million, comprised of the following subcomponents <ul style="list-style-type: none"> ▶ <u>Secured Term Loan Purchase</u>: \$45.0 million, provided by Neff Affiliates ▶ <u>Prepetition Bridge Financing</u>: \$25.7 million, provided by Neff Affiliates (to roll into DIP Facility upon entry of interim order) ▶ <u>DIP Facility</u>: \$49.3 million (\$77.3 million after rollup of \$25.7 million Prepetition Bridge and 3.0% / \$2.3 million upfront PIK fee), provided by Neff Affiliates and Funding Group pursuant to a 50.0% / 50.0% split after accounting for Neff Affiliates' Prepetition Bridge rollup ▶ <u>Exit Equity</u>: \$11.0 million, provided by Neff Affiliates ■ Amounts funded above to roll into the following securities upon emergence <ul style="list-style-type: none"> ▶ Amounts funded pursuant to Prepetition Bridge Financing and DIP facility to roll into New Convertible Notes, outlined further herein ▶ Amounts funded pursuant to Secured Term Loan Purchase and Exit Equity to roll into reorganized WGA common equity ■ New Convertible Notes Equity to be structured to yield the following equity splits on an as-converted basis, prior to any ratable dilution from any recovery to the Prepetition Unsecured Bonds or equity allocated to the ESOP Trust <ul style="list-style-type: none"> ▶ <u>Neff Affiliates</u>: ~71.0% ▶ <u>Funding Group</u>: ~29.0%
<p>Funding Group Commitments</p>	<ul style="list-style-type: none"> ■ Total funding of \$37.5 million¹, comprised of the following <ul style="list-style-type: none"> ▶ <u>DIP Financing</u>: \$37.5 million¹, representing 50.0% of the total \$75.0 million^{1,2} funded principal
<p>Neff Affiliates Commitments</p>	<ul style="list-style-type: none"> ■ Total funding of \$93.5 million^{1,2}, comprised of the following subcomponents <ul style="list-style-type: none"> ▶ <u>Secured Term Loan Purchase</u>: \$45.0 million ▶ <u>Prepetition Bridge Financing & DIP Facility</u>: \$37.5 million^{1,2}, representing 50.0% of the total \$75.0 million^{1,2} funded principal ▶ <u>Exit Equity</u>: \$11.0 million

1. Excludes 3.0% / \$2.3 million upfront PIK fee

2. Includes \$25.7 million allocable to Prepetition Bridge rollup

Restructuring Term Sheet (Cont'd)

Summary Transaction Terms

DIP Facility

- **Structure & Implementation:** \$77.3 million funded on a superpriority basis, comprised of the following subcomponents
 - ▶ **Prepetition Bridge Financing Rollup:** \$25.7 million, provided by Neff Affiliates
 - ▶ **New Money:** \$11.8 million and \$37.5 million provided by Neff Affiliates and Funding Group, respectively; amounts committed by Neff Affiliates and the Funding Group funded on a pro rata basis upon interim order (i.e. \$4.7 million funded Neff Affiliates and \$30.3 million funded by Funding Group upon interim order such that total funding for each group through that point in time is \$30.3 million; additional \$7.2 million funded by each of the Neff Affiliates and Funding Group upon final order)
 - ▶ **Upfront Fee:** 3.0% / \$2.3 million payable in kind, shared pro rata amongst Funding Group and Neff Affiliates
- **Interest Rate:** S + 900 bps, payable monthly and in cash
- **Tenor:** 120 days from filing
- **Exit Fee:** 2.0% paid in cash
- **Voting:** "Required Lenders" to be comprised of Neff Affiliates and a supermajority (two-thirds or more) of non-Neff DIP Lenders
- **Neff Affiliates Call Option:** Neff Affiliates provided the right to purchase the Funding Group parties' outstanding DIP amounts at par, plus the full 3.0% Upfront Fee and 2.0% Exit Fee applicable to the Funding Group's committed amounts, plus any accrued and unpaid interest outstanding at the time of purchase. For the avoidance of doubt, the 3.0% Upfront Fee payable in cash upon repurchase will be calculated as applied to the Funding Group's full \$37.5 million commitment, whereas the 2.0% cash Exit Fee will be applied to the Funding Group's full \$37.5 million commitment as adjusted for the 3.0% Upfront Fee. Altogether, Neff Affiliates will be responsible for providing the following amounts to the Funding Group parties: (i) any amounts drawn and outstanding under the DIP Facility, (ii) \$1.125 million attributable to the 3.0% Upfront Fee applicable to the Funding Group's committed amounts, (iii) \$0.7725 million attributable to the 2.0% Exit Fee applicable to the Funding Group's committed amounts (as adjusted for the Upfront Fee), and (iv) any accrued and unpaid interest. Neff Affiliates shall have the ability to exercise such right for 45 days subsequent to the filing date, with extension of the call period to be provided at the Required Lenders' option
- **Determination Period Purchase Option:** If (a) liquidity falls below \$5 million (other than amounts in the Professional Fees Account (as defined in the DIP Facility Term Sheet) and the proceeds of any unpermitted postpetition financing) (b) all DIP Loans have been advanced to the Borrower, (c) a Triggering Event of Default (as defined in the DIP Facility Term Sheet) exists and is continuing, and (d) the Required Funding Group DIP Lenders have provided a written default notice in accordance with the DIP Facility Term Sheet, the Neff Affiliates may purchase all (but not less than all) of the Funding Group's DIP loans and commitments for a price equal to par plus accrued interest on outstanding DIP amounts at the expiration of a 5 business day period (as may be extended by the Required Funding Group DIP Lenders (as defined in the DIP Facility Term Sheet) for a maximum of 15 calendar days from issuance of the default notice, the "Determination Period"); provided that the Triggering Event of Default(s) identified by the Funding Parties in the default notice is not waived before expiration of the Determination Period

1. Inclusive of \$2.3 million upfront PIK fee applicable to DIP Facility

Restructuring Term Sheet (Cont'd)

Summary Transaction Terms

New Convertible Notes

- **Structure & Implementation:** \$77.3 million of first lien convertible notes issued to DIP lenders on a pro rata basis upon emergence
- **Interest Rate:** 10.0%, payable in cash on a semiannual basis
- **Tenor:** 3 years
- **Conversion Feature:** Convertible into ~58.0% (i.e. pro rata of \$133.3 million total capital base¹) of reorganized WGA common equity struck at an enterprise value of \$133.3 million², convertible at holders' option at any time subject to the agreed upon terms to effectuate such conversion in whole or in part
- **Call Protection:** Non-call for 2 years; call price of 150% of principal amount outstanding (\$77.3 million) thereafter
- **Covenants:** Customary high yield covenants package to be agreed upon that (i) shall not include any financial, maintenance or liquidity covenants and (ii) is not restrictive to the Neff Affiliates' ability to operate the business in a value maximizing manner. For the avoidance of doubt, the parties agree that such covenant package will be negotiated in good faith and, as determined to be appropriate, may provide for customary information rights and limitations on (i) liens and indebtedness (subject to incurrence baskets for working capital facility, other indebtedness and other customary carveouts), (ii) material changes to the company's existing operations and fundamental changes that materially deviate from the business plan, (iii) asset dispositions that are outside the ordinary course of business, (iv) investments that are outside the ordinary course, (v) restricted payments, (vi) change of control, and (vii) affiliate transactions
- **Voting:** "Required Lenders" to be comprised of Neff Affiliates and a supermajority (two-thirds or more) of non-Neff Holders

1. Inclusive of \$2.3 million upfront PIK fee applicable to DIP Facility

2. Strike enterprise value and as-converted ownership underlying the New Convertible Notes are based on current budget estimates and subject to change based on the final emergence capital base, inclusive of (i) Neff Affiliates' term loan purchase, (ii) DIP Facility principal (inclusive of Neff Affiliates' prepetition bridge financing and the upfront PIK fee applicable to amounts funded under the facility), and (iii) Neff Affiliates' exit equity contribution

Restructuring Term Sheet (Cont'd)

Summary Transaction Terms

<p>Reorganized WGA Equity</p>	<ul style="list-style-type: none"> ■ <u>Structure & Implementation</u>: \$56.0 million funded upon emergence in the following proportions <ul style="list-style-type: none"> ▶ \$45.0 million funded by Neff Affiliates' cost basis in the Secured Term Loan Purchase, representing ~80.4% ownership prior to dilution from any New Convertible Notes or equity allocated to the ESOP Trust or recovery allocated to the Prepetition Unsecured Bonds ▶ \$11.0 million funded by Neff Affiliates, representing ~19.6% ownership prior to dilution from any New Convertible Notes or equity allocated to the ESOP Trust or recovery allocated to the Prepetition Unsecured Bonds ■ <u>Voting Rights</u>: To be provided upon conversion and on a pro rata basis in accordance with shares converted ■ <u>Governance Matters</u>: <ul style="list-style-type: none"> ▶ In no event shall the Neff Affiliates' agreement to provide for the Exit Equity in full prior to the conversion of the New Convertible Notes be construed as or deemed to be a conflict for the Neff Affiliate or used in any manner that will result in restrictions or prohibitions of actions by the Neff Affiliates that would otherwise be permitted ▶ Prior to conversion, holders of New Convertible Notes will be entitled to designate 1 non-voting observer to the Board
<p>Other Considerations</p>	<ul style="list-style-type: none"> ■ <u>ESOP Trust</u>: TBD ■ <u>Prepetition Unsecured Bonds</u>: 5-year transferrable warrants with Black Scholes protection and cashless exercise to purchase up to 7.5% of reorganized WGA common equity struck at a \$150 million enterprise value or toggles to a \$17.5 million cash payment if either (i) the Neff Affiliates Call Option or (ii) the Determination Period Purchase Option is exercised. For the avoidance of doubt, fees for Paul Weiss and Ducera Partners to be paid in full in the event that either (i) the Neff Affiliates Call Option or (ii) the Determination Period Purchase Option is exercised (in each case, not to be deducted from the \$17.5 million cash payment) ■ <u>Other</u>: Subject to support from the Company, the Neff Affiliates, and 2/3 of Prepetition Unsecured Bonds

EXHIBIT B

FORM OF JOINDER AGREEMENT FOR CONSENTING HOLDERS

This Joinder Agreement to the Restructuring Support Agreement, dated as of August 7, 2023 (as amended, supplemented or otherwise modified from time to time, the “**Agreement**”), by and among the Company and the Consenting Holders is executed and delivered by [●] (the “**Joining Party**”) as of [●]. Each capitalized term used herein but not otherwise defined shall have the meaning set forth in the Agreement.

1. Agreement to be Bound. The Joining Party hereby agrees to be bound by all of the terms of the Agreement, a copy of which is attached to this Joinder Agreement as **Annex I** (as the same has been or may be hereafter amended, restated or otherwise modified from time to time in accordance with the provisions thereof). The Joining Party shall hereafter be deemed to be a “Consenting Holder” and a “Party” for all purposes under the Agreement and with respect to any and all Claims held by such Joining Party.

2. Representations and Warranties. With respect to the aggregate principal amount of outstanding Notes set forth below its name on the signature page hereto, the Joining Party hereby makes the representations and warranties of the Consenting Holders set forth in Section 8 of the Agreement to each other Party to the Agreement.

3. Governing Law. This Joinder Agreement shall be governed by and construed in accordance with the internal laws of the State of New York, without regard to any conflict of laws provisions which would require the application of the law of any other jurisdiction.

[Signature Page Follows]

IN WITNESS WHEREOF, the Joining Party has caused this Joinder to be executed as of the date first written above.

CONSENTING HOLDER

By: _____
Name:
Title:

Principal Amount of Notes: \$ _____

Notice Address:
[•]

Attention: [•]
Email: [•]

Acknowledged:

[•]

By: _____
Name:
Title: