

## VERIJET HOLDING COMPANY, LLC

### CLASS A UNIT FINANCING LETTER OF INTENT

Dated as of August 1, 2020

This preliminary, non-binding Letter of Intent (this “*Letter of Intent*”) summarizes the principal terms of the Class A Unit financing (the “*Class A Financing*”) of Verijet Holding Company, LLC, a Delaware limited liability company (the “*Company*”). The Company has two classes of equity securities authorized – common units (“*Common Units*”) which are currently outstanding and Class A Units which are subject to this Class A Financing.

No legally binding obligations will be created until definitive agreements are executed and delivered by all parties. This Letter of Intent, which replaces the earlier version, is not a commitment to invest and is conditioned on the completion of due diligence, legal review and documentation that is satisfactory to the Company and Investors (as defined below).

#### Class A Financing

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- 1. Investors:** Accredited investors that are acceptable to the Company (“*Investors*”). Those Investors who acquire Class A Units will be referred to as “*Class A Unitholders*”.
- 2. Closing Date:** The Company anticipates that the initial rounds of closings shall occur on or before September 30, 2020, with one or more additional closings within 90 days thereafter.
- 3. Use of Proceeds:** The Company shall use the proceeds from the Class A Financing for aircraft leases, hiring pilots and operating personnel, and for working capital and general corporate purposes.
- 4. Amount Raised; Class A Units:** Up to \$7,750,000 in cash for Class A Units of the Company (the “*Class A Units*”)¹.
- 5. Pre-Money Valuation:** The pre-money valuation of the Company is \$20 million. The price per Class A Unit will be \$0.9166, which amount reflects a post-money valuation of the Company of approximately \$27,750,000².
- 6. Capitalization:** The Company’s capital structure before and after the closing is set forth on Exhibit A. This Exhibit sets forth the number of Common Units of the Company currently outstanding as of the date of this Letter of Intent.
- 7. Operating Agreement:** As an LLC, the Company is governed by an operating agreement. The Class A Unitholders will be required to enter into a Second Amended and

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¹ To the extent that the offering is oversubscribed, the Company may raise up to \$12,500,000.

² This assumes the offering is closed at \$7,750,000.

Restated Limited Liability Company Agreement of the Company at the closing of the Class A Financing (“*Company’s LLC Agreement*”).

**8. Liquidation Preference:**

In the event of any liquidation, dissolution or winding-up of the Company, the net proceeds shall be paid out as follows: First pay one (1) times the original purchase price plus any accrued or declared but unpaid dividends on each Class A Unit. Thereafter, the Class A Unitholders participate with the Common Units, pro rata, on an as-converted basis.

**9. Pre-emptive Rights:**

All Class A Unitholders who invested in the Class A Financing shall have a right of first refusal to acquire a pro rata portion of any future issuances of Common Units or any other equity interests in the Company (“*Future Equity Securities*”) to maintain their respective ownership percentages (as determined immediately prior to the issuance of the applicable Future Equity Securities), it being the Company’s intent that such Class A Unitholders shall have preemptive rights with respect to any Future Equity Securities. Any such subscription would be on the same terms as other investors participating in those subsequent issuances of Future Equity Securities. These rights shall only apply to those Future Equity Securities issued by the Company in exchange for cash; and will not apply to any Future Equity Securities issued by the Company: (i) in exchange for services, (ii) for any consideration other than cash, (iii) in connection with any merger, acquisition or similar activity or (iv) in connection with an initial public offering or any other registered offering with the Securities and Exchange Commission.

**10. Voting Rights:**

The Class A Units shall vote together with the Common Units on an as-converted basis, and not as a separate class, except as specifically provided herein or as otherwise required by law. In general, the Company is managed by its appointed officers, and the officers are subject to oversight and control of a Board of Managers elected by the holders of the Common Units together with the holders of the Class A Units on an as-converted basis. The Board of Managers is currently comprised of the following five (5) managers, Richard Kane, Peter Diamandis, David Treitel, Mark Kahan and Erik Lindbergh. Messrs Diamandis, Treitel and Lindbergh are independent directors not involved in the Company’s day to day management.

**11. Protective Provisions:**

So long as any Class A Units are outstanding, in addition to any other vote or approval required under the Company’s LLC Agreement, the holders of Class A Units shall have the right to such separate votes and approvals as are provided in the Delaware General Corporation Law, as amended from time to time, and the Company shall not without written consent of the holders of at least 67% of the Company’s Class A Units, voting as a class: (i) amend, alter, or repeal any provision of the Company’s LLC Agreement in a manner adverse to the Class A Units; (ii) other than the Class A Units, create or authorize the creation of or issue any other security convertible into or exercisable for any equity security, having rights, preferences or privileges senior to or on parity with the Class A

Units or increase the authorized number of units of Class A Units; or (iii) purchase or redeem or pay any dividend on any Common Units prior to a comparable payment on the Class A Units.

**12. Optional  
Conversion:**

The Class A Units initially converts 1:1 into Common Units at any time at option of holder, subject to adjustments for stock dividends, splits, combinations and other customary events.

**13. Mandatory  
Conversion:**

Each Class A Unit will automatically be converted into Common Units, (i) at the then applicable conversion rate in the event of the closing of a firm commitment underwritten public offering (subject to adjustments for stock dividends, splits, combinations and similar events), or (ii) upon the written consent of 67% of the holders of the Class A Units.

**14. Transfer Rights  
& Restrictions:**

- The Class A Unitholders shall be subject to a so called “drag-along” provision and shall cooperate and execute and deliver all necessary documents in the event that holders of a majority or more of the Common Units, on an as-converted basis, elect to enter into any merger, consolidation, sale, transfer or other disposition of all or substantially all of the Company’s assets and/or any transaction in which 50.1% or more of the Company’s Common Units are transferred (provided the same has been approved by the Board of Managers)
- Any proposed transfer of Class A Units shall be subject to a right of first refusal by the Company, first, and the other Class A Unitholders, second, with a right of oversubscription for participating Class A Unitholders.
- In connection with an initial public offering, each holder of Units of the Company shall agree to enter into a customary lock-up agreement (not to exceed 180 days).
- The transfer or sale by an Investor of Class A Units are subject applicable securities laws (both US federal and state).

**15. Registration  
Rights:**

The Class A Unitholders will be afforded customary “piggyback” registration rights.

**16. Aircraft Tax  
Benefit Allocation:**

Each Investor may avail themselves of available tax depreciation and expenses on aircraft owned by the Company, as may be determined by the Tax Matters Representative under the Company’s LLC Agreement. These tax benefits, however, would not apply to any aircraft independently owned by an investor and leased to Verijet, Inc. Based on executed lease agreements as of the date of this Letter of Intent, seven (7) aircraft will be independently owned and leased to VeriJet, Inc. by December 31, 2020. The Company reserves the right in its sole discretion to lower the ownership percentage in respect of any aircraft upon notice.

**17. Confidentiality:** The existence and terms of this Letter of Intent and the fact that discussions may be ongoing between the Company and prospective purchasers shall not be disclosed to any third party without the consent of the Company, except as may be required by law.

**18. Closing Conditions:** Investors' collective obligation to close the acquisition of the Class A Units are conditioned, among other things, on the satisfactory completion of due diligence, and execution of usual and customary documentation for a transaction of this type, including a definitive subscription agreement containing investor representations for applicable securities laws. All Investors must enter into the Company's LLC Agreement.

*[Signature Page Follows]*

**IN WITNESS WHEREOF**, this Letter of Intent has been executed by the undersigned as of the \_\_\_ day of \_\_\_\_\_, 2020.

**COMPANY:**

Verijet Holding Company, LLC

By: \_\_\_\_\_  
Richard Kane  
Chairman and CEO

**INVESTORS:**

By: \_\_\_\_\_  
Name:  
Title:

Investment  
Amount: \$ \_\_\_\_\_

## EXHIBIT A

### Pre and Post-Offering Capitalization

<u>Security</u>	<u>Pre-Offering</u>		<u>Post-Offering</u>	
	<u># of Units</u>	<u>%</u>	<u># of Units</u>	<u>%</u>
Total Authorized Common Units	32,000,000.00		45,500,000.00	
Total Authorized Class A Units	-		17,000,000.00	
Common Units Issued - Founders	8,000,000.00	37%	8,000,000.00	26%
Common Units Issued - F&F Financing <sup>(1)</sup>	13,818,666.68	63%	13,818,666.68	46%
Class A Units Issued <sup>(2)</sup>	-	-	8,454,733.00	28%
Total Issued and Reserved Units as Converted to Common Units <sup>(3)</sup>	21,818,666.68	100%	30,273,399.68	100%

(1) Richard Kane acquired 9,920,000 Common Units in the F&F Financing. As a Founder, Richard also owns 4,800,000 Common Units.

(2) This is based on the closing of \$7,750,000 of Class A Units.

(3) The Company intends to implement a profits interests awards plan for its managers, executives and other service providers. When fully implemented, recipients of the profits interests, collectively, will be entitled to 15% of future operating profits and future appreciation in the value of the Company. The profits interests will be subject to vesting requirements and may also be subject to certain performance hurdles.