

**IN THE UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF TEXAS  
HOUSTON DIVISION**

In re:

WESCO AIRCRAFT HOLDINGS, INC., *et al.*,  
Reorganized Debtor.

Chapter 11

Case No. 23-90611 (MI)

(Jointly Administered)

**GULFSTREAM AEROSPACE CORPORATION'S  
RESPONSE IN OPPOSITION TO THE REORGANIZED DEBTOR'S  
OBJECTION TO ADMINISTRATIVE EXPENSE APPLICATION  
FILED BY GULFSTREAM AEROSPACE CORPORATION**

Gulfstream Aerospace Corporation (“**Gulfstream**”) submits its Response in Opposition to the *Reorganized Debtor's Objection to Administrative Expense Application* [Dkt. 2978] (the “**Objection**”), and states:

**INTRODUCTION**

During their chapter 11 cases, believing that they had one of their largest customers, Gulfstream, over the proverbial barrel, Incora locked Gulfstream out of the warehouse holding its parts inventory. This action threatened to disrupt Gulfstream's operations and cause harm to Gulfstream and the more than 20,000 individuals it employs. It also was in breach of the specific transition services provisions of the parties' pre-petition contract designed to prevent Incora from doing exactly what it attempted to do here. After placing Gulfstream in this very difficult position, Incora drove a hard bargain. That bargain is memorialized in the Transition Agreement dated February 6, 2024 (the “**Agreement**”) which this Court approved on February 9, 2024. [Dkt. 1398.] In approving the Agreement, the Court expressly recognized that any amounts owed to Gulfstream under the Agreement would be administrative expenses entitled to priority of payment and binding



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upon the reorganized debtors “notwithstanding any discharge or other release granted to the Debtors” in a confirmed plan. [*Id.* ¶¶ 4-5.]

In the two years since the parties signed the Agreement, Gulfstream has paid Incora over \$175 million. Despite the fact that the Agreement has been extremely lucrative for Incora, Incora has failed to perform as promised. It has not reimbursed Gulfstream for inventory Gulfstream paid for that was never delivered. Incora also refuses to provide the certifications for certain of the parts it has sold Gulfstream, rendering those parts unusable under federal and international law. It also has demanded payments from Gulfstream that are not due under the Agreement. While the parties have resolved some of their disputes since Gulfstream filed its administrative expense claim, Incora continues to owe Gulfstream \$9,882,878.79. Accordingly, Gulfstream requests that the Court order Incora to pay this amount to Gulfstream.

## **BACKGROUND**

### **A. The Parties’ Pre-Petition Relationship.**

1. Gulfstream designs, develops, manufactures, markets, services, and supports the world’s most technologically advanced business-jet aircraft. Headquartered in Savannah, Georgia, Gulfstream employs more than 20,000 workers at its facilities in Georgia, Texas, Wisconsin, and across North America.<sup>1</sup>

2. Before it filed for bankruptcy, Gulfstream and Incora were parties to a contract under which Incora supplied Gulfstream with aircraft parts and provided support services to assist Gulfstream in managing its parts inventory. That contract established a system for supplying parts to Gulfstream’s facilities in Savannah and Brunswick, GA; Appleton, WI; Dallas, TX; and Mexicali, Mexico. (*Id.*) In most of these locations, Incora maintained on-site part bins, staffed by

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<sup>1</sup> In support of its Response, Gulfstream submits the *Declaration of Nicholas Scott*, attached hereto as Exhibit 1.

Incora personnel, for seamless integration into Gulfstream's operations. In addition to those on-site part bins, Incora also operated a warehouse adjacent to Gulfstream's Savannah operations (the "**Forward Stocking Location or FSL**"), where several months of parts inventory was stocked.

3. In the months leading up to Incora's bankruptcy filing, Incora failed to fully perform under the terms of its contract. To assist Incora's cash flow, Gulfstream purchased products for Incora that Incora stored in the FSL. In addition, in exchange for its support, Gulfstream asked, and Incora agreed that when it purchased parts for Gulfstream it would identify Gulfstream as the end user on its purchase orders with the underlying manufacturers so that those orders could be easily assigned to Gulfstream if Incora could not perform under them.

**B. Incora's Bankruptcy Filing and the Motion To Reject.**

4. On June 1, 2023, Incora filed these chapter 11 cases. Initially, Gulfstream remained optimistic that it could continue to work with Incora post-petition and in fact, Incora continued to supply Gulfstream post-petition pursuant to the terms of the pre-petition contract. But, on December 6, 2023, Incora abruptly told Gulfstream that it intended to reject the parties pre-petition contract unless Gulfstream agreed to a variety of contract concessions. When Gulfstream refused the new terms, Incora filed its motion to reject on December 11, 2023. [Dkt. 1057.]

5. The very next day, on December 12, 2023, Incora stopped providing parts to Gulfstream knowing that this would disrupt Gulfstream's operations. It also withdrew all of its employees who were working within Gulfstream's facilities and providing services to Gulfstream. In addition, Incora refused to allow Gulfstream access to the FSL and those parts that Gulfstream had already purchased. And for those parts it had previously delivered to Gulfstream, Incora refused to provide the documentation that meets the applicable Federal Aviation Agency ("**FAA**")

and European Union Aviation Safety Agency (“EASA”) regulations certifying that the parts were manufactured and tested in accordance with the blueprint and model specifications for the aircraft. Without this documentation, those parts were worthless. Incora’s actions caused immediate disruption to Gulfstream’s operations.

6. Gulfstream objected to the motion to reject on a limited basis. It argued that it was entitled to the parts in the FSL that it owned that Incora was wrongfully withholding from Gulfstream. It further argued that under the transition provisions of the pre-petition agreement, Incora was obligated to transfer the purchase orders for Gulfstream parts on order to Gulfstream and that Incora could not sell the parts it was holding that contained Gulfstream intellectual property to third parties. In addition, Gulfstream asked the Court to order Incora to produce the parts certifications for parts already delivered to Gulfstream. [Dkt. 1147.]

**C. The Transition Agreement.**

7. At the initial hearing on the Motion, the Court urged the parties to reach a settlement. The parties did so and that settlement is reflected in the Agreement, a copy of which is attached as an Exhibit A to Mr. Scott’s Declaration.

8. On February 9, 2024, the Bankruptcy Court entered an Order approving the compromises set forth in the Agreement (the “**Approval Order**”). [Dkt. 1398.] The Approval Order provided that “[a]ny claims arising in Gulfstream’s favor under the Gulfstream Transition Agreement shall be entitled to administrative expense status without need for further application to the Court.” [*Id.* at ¶ 4.] The Approval Order also made the Agreement binding upon the Reorganized Debtor. [*Id.* at ¶ 5.]

9. The Agreement and the Approval Order contained the following provisions relevant to this dispute:

(a) *Savannah FSL Parts Inventory.* Incora agreed to sell all of the parts inventory located in the FSL for the prices stated on Schedule 1 to the Agreement. (*See* Agreement, §5(b)(ii) & Sch. 1.) Knowing that Gulfstream needed immediate access to the parts inventory at the FSL, Incora refused to agree to a post-sale reconciliation of the inventory at the FSL with an adjustment of the purchase price post-sale based on that inventory. Instead, Incora insisted that if Gulfstream wanted to check the inventory, it had to do so before it would be allowed access to any of the FSL inventory. Thus, the Agreement provided for a limited sample check. If the discrepancy between the reported inventory and the check was more than 7% less than the value of the FSL inventory listed on Schedule 1, Gulfstream could either accept the inventory and pay the price for the parts based on the reported numbers or conduct a comprehensive inventory to adjust the purchase price. But if it elected to conduct a full inventory, Gulfstream could not remove any of the parts from the FSL until the parties agreed on the full inventory results. (*Id.*) The parties performed the sample inventory check which Gulfstream accepted. Gulfstream paid the full contract price for the FSL Inventory set forth on Schedule 1 and accepted the FSL Inventory “in full satisfaction of Incora’s obligation to deliver the FSL Inventory.”

(b) *Parts Inventory Stored at Other Locations.* Gulfstream also agreed to purchase the parts inventory that Incora maintained at its locations other than the Savannah FSL for the prices set forth on Schedule 1 for that inventory. (*See* Agreement, §5(b)(i) & Sch. 1.) With regard to the “inventory not listed [on Schedule 1 to the Agreement] as being stored at the [FSL], the Parties agree[d] to periodically adjust discrepancies between Schedule 1 and the Incora Inventory available to transfer to Gulfstream, by updating the Purchase Price by an amount equal to the “total price” for such item(s) listed on Schedule 1.” (*Id.*) In other words, unlike the FSL Inventory, which Incora required Gulfstream to take without any price adjustment based on the

parts listed on Schedule 1 whether those parts were in the FSL or not, for the other locations, the parties agreed that the price would be adjusted based on what was delivered. In the event these periodic reconciliations resulted in an adjusting payment due to Gulfstream, the Debtors agreed to pay Gulfstream within 15 days following an agreement on the amount due. Gulfstream paid the full Schedule 1 prices for the parts inventory stored at locations other than the Savannah FSL. (*Id.*)

(c) **Open Purchase Orders.** Gulfstream agreed to accept all of the open purchase orders that Incora had placed for Gulfstream as of February 6, 2024 and to pay Incora its “margin” for each open purchase order. (Agreement §6; Sch. 2.) The open purchase orders along with the “total price,” “margin,” and quantity for each part were listed on Schedule 2. The parties agreed that Incora would move to assume and assign the open purchase orders to Gulfstream pursuant to 11 U.S.C. §365(a). If an assignment of an open purchase order occurred, Incora would have no further obligation under the assigned open purchase order and Gulfstream would not be entitled to a refund of the margin if the supplier failed to deliver the product. (*Id.* §6(b), (c).) If a supplier requested that the purchase order not be assigned, Incora agreed to assume the non-assigned purchase order and arrange for delivery of the parts to Gulfstream. Gulfstream was still required to pay the margin up front to Incora and was also obligated to pay the total price less the margin to Incora upon delivery. (*Id.* §6(f).)

The parties agreed that at the end of each calendar quarter, they would reconcile any discrepancies between Schedule 2 and the good delivered under the “**Non-Assigned Open Purchase Orders.**” In the event of a shortfall, Incora was obligated to either furnish replacement parts or refund the margins paid for parts that were not delivered. (*Id.* §6(d).) Importantly, for this litigation, Incora agreed that it “will, to the extent possible, act in such a way as to place Gulfstream

in the same position as if the Non-Assigned Open Purchase Orders had been assigned to Gulfstream....” (*Id.* §6(e).)

(d) **Certifications.** The Agreement provided that Incora “shall provide Gulfstream with certifications for parts delivered under the [pre-petition] Contract or this Transition Agreement....” (Agreement §8.)

10. In total, immediately upon entry of the Approval Order, Gulfstream paid Incora \$175,942,012.49 for the Incora Inventory and for the Margins on Open Purchase Orders.

**D. Gulfstream’s Administrative Expense Claim and the Parties’ Attempts to Reconcile the Amounts Due.**

11. Although the Order approving the Agreement provided that Gulfstream did not have to file an administrative expense request to recover any amounts due under the Agreement, the plan of reorganization that Incora confirmed purported to bar any administrative expense claim not filed by the Administrative Expense Bar Date. Therefore, on February 27, 2025, Gulfstream filed a request for payment of an administrative expense in the amount of \$11,564,557.39, representing amounts due under the Agreement to Gulfstream. The claim consisted of three components: (1) \$4,823,960.28 owed for parts inventory not delivered from the non-FSL locations; (2) \$3,921,370.76 for parts that Gulfstream received without the required FAA and EASA certifications making the parts unusable and the associated margin payments of \$2,050,866.16 related to these parts, for a total of \$5,972,236.92; and (3) \$768,360.19 in overpayments where Gulfstream paid certain invoices twice. Because the parties were still operating under the Agreement, Gulfstream reserved its rights to seek additional amounts should additional amounts come due.

12. Between the filing of the administrative expense claim and Incora’s Objection, Gulfstream and Incora attempted to reconcile their differences. As a result of those discussions,

Gulfstream calculates its current claim as follows:

Inventory Not Received from the Non-FSL Facilities:	\$4,346,743.51
Double-paid Invoices	\$ 768,360.19
Under shipments/No Certifications	<u>\$4,767,775.09</u>
<b>Total:</b>	<b>\$9,882,878.79</b>

Because the parties' obligations under the Agreement are still on-going, Gulfstream reserves its right to bring additional claims under the Agreement in the future.

### **ARGUMENT**

13. In its Objection, Incora concedes that it owes Gulfstream \$1,944,259.94 consisting of: (a) \$1,175,899.75 of under-shipments of inventory from the non-FSL locations (*see* Obj. ¶ 18); and (b) \$768,360.19 of double-paid invoices, which Incora ignores in its Objection (*see generally* Obj.). Incora's arguments about why it does not owe the balance that Gulfstream claims is due is contradicted by the text of the Agreement and the facts.

#### **A. Inventory Not Received From Non-FSL Locations.**

14. The first component of Gulfstream's administrative expense claim is for amounts due as a result of Incora's failure to deliver all of the inventory listed on Schedule 1 for the non-FSL locations. The following chart sets forth the total quantity and dollar value of the parts inventory listed on Schedule 1 for the four non-FSL locations, the quantity and dollar value of the parts inventory that Gulfstream received, and the quantity and dollar value of the parts inventory that Incora claims was delivered.

Location	Schedule 1 #'s		Gulfstream		Incora	
	Quantity	\$ Value	Quantity	\$ Value	Quantity	\$ Value
Mexicali	5,978,022	\$2,710,928.06	9,182,959	\$3,771,241.95	8,251,030	\$3,756,529.83
Northlake	117,590,091	\$54,465,775.91	96,861,303	\$49,588,116.56	103,436,789	\$52,584,312
Tulsa	919,009	\$1,027,331.98	702,833	\$1,032,484.42	844,911	\$926,060.54
UK	17,580,790	\$2,215,269.72	15,905,116	\$1,680,719.23	16,881,575	\$1,976,501.72
<b>Total</b>	<b>142,067,912</b>	<b>\$60,419,305.67</b>	<b>122,652,211</b>	<b>\$56,072,562.16</b>	<b>129,414,305</b>	<b>\$59,243,404.09</b>

15. The following chart quantifies the differences between Gulfstream's and Incora's numbers as compared to Schedule 1 by location and then isolates the difference between Gulfstream and Incora by location:

Differences Between the Parties by Location			
	Gulfstream v. Sch. #1	Incora v. Sch. #1	Incora v. Gulfstream
Mexicali	\$1,060,313.89	\$1,045,601.77	(\$14,712.12)
Northlake	(\$4,877,659.34)	(\$1,881,463.90)	\$2,996,195.44
Tulsa	\$5,152.44	(\$101,271.44)	(\$106,423.88)
UK	(\$534,550.49)	(\$238,768.00)	\$295,782.49
<b>Total</b>	<b>(\$4,346,743.51)</b>	<b>(\$1,175,901.58)</b>	<b>\$3,170,841.50</b>

(i) **The Missing Northlake Inventory.**

16. As the above charts demonstrates, the total dollar difference between what Gulfstream contends is owed—\$4,346,743.51—and what Incora concedes is owed—\$1,175,899.75—is largely attributable to inventory listed on Schedule 1 as being located in the Northlake facility. In its Objection, Incora contends that this difference of \$2,996,195.44 is attributable to parts that were allegedly in boxes on the loading dock at the FSL, but still listed in Incora's inventory system (and thus on Schedule 1) as Northlake parts. (Obj. ¶ 20.) According to Incora, if those parts had been unpacked, "the process count would have deviated from Schedule 1's [FSL] inventory well beyond the agreed tolerance, and the parties would have been forced to re-negotiate Gulfstream's payment on account of the [FSL] inventory." (*Id.*) Based on this

speculation, Incora claims that Gulfstream will have received a “windfall” if it is compensated as the Agreement requires for the inventory it did not receive from the Northlake facility. (*Id.*)

17. There are three problems with this argument. *First*, it proves to much. If the approximate \$3 million of missing Northlake parts were at the FSL (and Gulfstream disputes that this was the case), then Incora is not entitled under the Agreement to a post-closing reconciliation that gives it a credit for these parts. That is because §5(b)(ii) of the Agreement is clear that that the parties will not adjust the price for the FSL inventory based upon a post-closing reconciliation.

Section 5(b)(ii) states:

Between the date the Transition Agreement is executed and the entry of the Transition Approval Order, the Parties shall jointly perform a sample inventory check of the Incora Inventory listed on **Schedule 1** as being located in the FSL (the “FSL Inventory”). If the sample inventory check is up to 7% less than the corresponding FSL Inventory, then there shall be no further reconciliation of FSL Inventory and Gulfstream shall accept all Incora Inventory stored at the FSL in full satisfaction of Incora’s obligation to deliver the FSL Inventory. If the sample inventory check is more than 7% less than the corresponding FSL Inventory, then Gulfstream may elect to (a) accept all Incora Inventory stored at the FSL in full satisfaction of Incora’s obligation to deliver the FSL Inventory or (b) conduct a comprehensive reconciliation of the FSL Inventory. Until the sample inventory check (and, if necessary, the comprehensive FSL reconciliation) has been completed, neither the Debtors nor Gulfstream shall remove or ship Incora Inventory to or from the FSL. If a comprehensive reconciliation occurs and demonstrates a discrepancy, the Purchase Price shall be updated as set forth above.

18. The lack of any post-closing reconciliation for FSL inventory stands in sharp contrast to Agreement §5(b)(i) governing the sale of the inventory at the other non-FSL locations. In §5(b)(i), the parties expressly agreed that they would reconcile what Gulfstream received from the non-FSL locations to the amounts listed on Schedule 1 and adjust the purchase price post-closing based on that reconciliation.

19. But by claiming a credit for parts at the FSL against short shipments from its other locations, Incora is attempting to achieve exactly what the Agreement prohibits: a reconciliation of the FSL Inventory purchase price based upon an alleged post-closing count of inventory located at the FSL. Just as Gulfstream could not have demanded a refund if post-closing the FSL inventory had proved to be less than the quantities listed on Schedule 1 (or deducted that amount from the inventories it did receive from the other locations), Incora cannot demand payment through a credit for inventory at the FSL that it claims exceeded the numbers on Schedule 1. Simply put, the parties agreed that once the sale closed, which it did on February 9, 2024, Gulfstream “accept[ed] all Incora Inventory stored at the FSL in full satisfaction of Incora’s obligation to deliver the FSL Inventory” whether that inventory was less than or more than the Schedule 1 FSL quantities. (Agreement §5(b)(ii).) Incora demanded this provision because it knew that Gulfstream needed to access the FSL immediately and it apparently expected there to be a shortfall of inventory at the FSL. Having made that agreement, Incora is not entitled as a matter of law to a credit for the approximately \$3 million in missing Northlake inventory that Incora claims was at the FSL. And ruling against Incora will not create a “windfall” for Gulfstream.

20. **Second**, Incora’s speculation that it should be allowed this credit because it would have been entitled to renegotiate the Agreement if it had known these parts were at the FSL ignores the fact that it is bound by the Agreement it signed. And that Agreement only contemplated a *pre-closing adjustment to the purchase price* if the FSL inventory was less than that stated on Schedule 1. There was no mechanism in the Agreement to increase the price or to terminate the agreement and negotiate a new one if the numbers went against Incora; just as Gulfstream had no right to renegotiate if the numbers went against it. Thus, even assuming Incora’s speculation about what it might have done could ever be admissible to prove anything (and it would not be), its speculation

here is doubly irrelevant given that Incora's musings about what it might have done conflict with the terms of the Agreement it made.

21. **Third**, Incora has never produced any shipping or other documents to support its contention that approximately \$3 million in parts were in unopened boxes at the FSL. Gulfstream, on the other hand, arrived at its final claim amount for missing inventory from the non-FSL locations by crediting Incora with an additional \$1,377,422.21 for parts it could identify as Northlake parts that were at the FSL. Thus, if there were parts in transit, Incora has already received a credit for those parts and that credit is part of Gulfstream's calculation that the Northlake inventory was short by \$4,877,659.34. It is important to note that as a matter of law, for the reasons stated above, Incora is not entitled to this credit and Gulfstream's claim is actually \$1,377,422.21 higher. Gulfstream did, however, acknowledge this credit as part of the parties pre-filing negotiations and so it notes this credit here; having said that, Incora is not entitled to any further credits by pointing to parts it claims (without proof) were located at the FSL.

(ii) **Credits for Inventory Delivered From Certain Locations in Excess of the Schedule 1 Amounts.**

22. Incora contends the remaining difference between its numbers and Gulfstream's is due to the fact that Gulfstream has allegedly not given Incora credit for over-deliveries of parts inventory, principally from the Mexicali location. (Obj. ¶ 21.) Not so. As the above chart demonstrates, Gulfstream's claim accounts for the excess parts inventory it received from both the Mexicali and Tulsa locations. For Mexicali, Gulfstream credited Incora with delivering \$1,060,313.89 worth of parts in excess of the Schedule 1 quantities, ***a credit that is \$14,712.12 larger than the credit Incora claims*** in its Objection. According to Incora, in the case of Tulsa, the inventory was short by \$101,271.44; but Gulfstream gave it a credit of \$5,152.44 for shipping inventory in excess of the Schedule 1 quantities. In sum, Gulfstream has properly credited over

shipments against under shipments from the four non-FSL locations and even applied greater credits (which advantage Incora) than those Incora claims. Incora's argument that Gulfstream has not given it credit for parts delivered from the Mexicali location is without merit.

23. Under the Agreement, Gulfstream is entitled to be paid \$4,346,743.51 for parts inventory that Incora did not deliver from its four non-FSL locations. Incora concedes it owes \$1,175,901.58 of this amount; yet despite the Agreement's requirements that payments be made promptly, Incora has sat on this payment for almost two years. Incora's explanation for why it does not owe the balance is refuted by the terms of the Agreement and the facts. Accordingly, its Objection to this component of the administrative claim should be denied.

**B. Reimbursement for Invoices That Gulfstream Paid Twice.**

24. The second component of Gulfstream's claim is a claim for reimbursement of invoices that Gulfstream paid twice. Section 6(f) of the Agreement obligates Gulfstream to pay the invoice amount for the Non-Assigned Open Purchase Orders to Incora upon delivery of the parts. In the case of six purchase orders, Gulfstream paid Incora twice, resulting in a net overpayment of \$768,360.19. Incora has never refunded this over payment to Gulfstream despite requests that it do so.

25. In its Objection, Incora ignores this part of Gulfstream's administrative expense claim and makes no objection to it, thus tacitly conceding that it owes this amount. (*See generally* Obj.) Accordingly, the Court should order Incora to reimburse Gulfstream \$768,360.19 for these overpayments.<sup>2</sup>

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<sup>2</sup> As set forth in the Administrative Expense Request, the overpayments related to six purchase orders: 4500450265, 4500448462, 4500448542, 4500435266, 4500450361, and 4500449624. These purchase orders totaled \$873,591.76 but Gulfstream only overpaid \$788,520.19 because \$85,071.57 of parts listed in those purchase orders were not received. In addition, Gulfstream deducted \$20,160.00 that it was previously reimbursed for a total owed of \$768,360.19.

**C. Amounts Due for Parts Delivered Under Non-Assigned Open Purchase Orders Without Certifications or Products That Were Not Delivered.**

26. The final component of Gulfstream's claim is for damages related to Incora's failure to either deliver the parts all together for parts purchased under the Non-Assigned Open Purchase Orders or to deliver certifications for the parts or for other miscellaneous reasons. Incora has been paid a total of \$4,767,775.09 (inclusive of the Margin payment) for these parts and Gulfstream requests either a refund of this amount or delivery of the parts in accordance with the Agreement including with all required certifications. A listing of these parts is set forth in Exhibit C to Mr. Scott's Declaration.

27. Gulfstream's overpayments to Incora for parts that have not been delivered occurs because Incora bills Gulfstream for parts under the Non-Assigned Open Purchase Orders and requires payment before Gulfstream even knows if the shipment is complete. Gulfstream is forced to pay under these circumstances as Incora threatens to suspend deliveries if payment is not made. As a result, Incora has routinely been paid in advance for parts that were not delivered. Gulfstream personnel have supplied Incora with all of the information needed to either supply the parts or to refund the payment with the margin, but to date, Incora has not addressed this problem.<sup>3</sup>

28. Incora also has delivered a substantial number of parts under Non-Assigned Open Purchase Orders without certifications. Federal and international regulations require that every part included in an airplane be certified that it has been manufactured and tested according to the blueprint and model specifications for the aircraft. *See, e.g.*, CFR 14 Parts 21, 25; EASA CS-25. Without that certification, Gulfstream cannot use the part and the part is worthless. Every

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<sup>3</sup> It is likely that this number may change prior to any trial in this case depending on whether Incora delivers the parts in question. To avoid this problem going forward, Incora should not issue invoices until the deliveries are verified or allow for payments to be made after the number of parts delivered is verified.

Gulfstream customer also has the right to review these certifications and certain of Gulfstream's government customers require the certifications. Because these certifications are required by all aircraft manufacturers, it is standard industry practice that parts manufacturers include these certifications with the parts that they are delivering to a customer. Gulfstream believes that Incora either has these certifications or could obtain them.

29. Consistent with this practice, the manufacturers delivering parts to Gulfstream under the Assigned Open Purchase Orders have included these certifications when delivering parts. And because of the importance of these certifications, Agreement §9 requires Incora to provide these part certifications for any parts delivered under the Agreement.<sup>4</sup>

30. Despite this obligation to deliver the parts certifications, to date, Incora has not delivered parts certifications for a substantial number of parts delivered under the Non-Assigned Open Purchase Orders. Those parts are not capable of being used by Gulfstream. As a result under Agreement §6(d), Gulfstream is entitled to recover not only the amount it paid for the goods but also the margin payment associated with these parts.<sup>5</sup>

31. In its Objection, Incora acknowledges the importance of the certifications but claims it is not its problem, ignoring that two provisions of the Agreement require it to provide these certifications. (Obj. ¶¶ 25-26.) Section 9 expressly requires the certifications. Section 6(e)

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<sup>4</sup> In a footnote, Incora takes the position that Agreement §9 only required Incora to provide certifications for the Schedule 1 inventory. (Obj. n. 8.) Given that providing certifications is required by federal law, this argument is a non-starter. What Incora is arguing is that Gulfstream agreed to pay tens of millions of dollars for parts it could never use and agreed to pay Incora its profit margin on the Non-Assigned Open Purchase Orders—a margin that would cover the cost of forwarding the certifications—with no expectation that it would receive the certifications. Incora's withholding of the certifications (and any information that would allow Gulfstream to obtain these certifications) is exactly what it looks like—a hold-up to demand more compensation. This Court should not countenance such sharp tactics.

<sup>5</sup> Since the date on which Gulfstream filed its Administrative Expense Request, Incora has provided certifications for some of the parts. Because Gulfstream would rather have parts it can use than a claim for money damages, to the extent Incora provides certifications or the missing parts, Gulfstream will reduce its claim accordingly.

further obligates Incora “to the extent possible, [to] act in such a way as to place Gulfstream in the same position as if the Non-Assigned Open Purchase Orders had been assigned to Gulfstream....” Gulfstream is receiving the certifications directly from suppliers for the Assigned Open Purchase Orders. It appears that a key reason it is not receiving these certifications for the Non-Assigned Open Purchase Orders is because Incora ordered these parts under different airplane manufacturers’ part numbers. (Obj. ¶ 26.) When asked to provide the Non-Assigned Open Purchase Orders or a key to the alternative parts number so that Gulfstream could resolve this issue, Incora has refused. This has left Gulfstream with no ability to correct the problem having paid substantial amounts for parts it cannot use. By refusing to provide the certifications as required under the Agreement, Incora is in breach of the Agreement and Gulfstream is entitled to a refund of the amounts it paid for these parts including the margin payments.

32. In total, Incora owes Gulfstream \$4,767,775.09 (inclusive of the Margin payment) for parts that have not been delivered but payment has been made, for parts without proper certifications or other paperwork, or for a handful of miscellaneous other reasons.

**D. Incora is Not Entitled to Increase the Schedule 2 Total Price for Parts Supplied Under the Non-Assigned Open Purchase Orders.**

33. In its Objection, Incora claims that it is entitled to a credit of \$876,286.20 against the amounts it owes to Gulfstream for tariffs it claims suppliers have passed through to Incora under the Non-Assigned Open Purchase Orders. (Obj. ¶¶ 27-30.) The Court should reject this argument for at least five reasons.

34. *First*, the Agreement does not authorize Incora to pass through the tariffs to Gulfstream. Agreement §6(f) is the operative provision. It states that the price to be paid for Schedule 2 inventory delivered pursuant to a Non-Assigned Open Purchase Order is the “Total Price minus the Margin percentage set forth in Schedule 2 of the Total Price of each Non-Assigned

Open Purchase Order (the “PO Value”).” Schedule 2 sets forth a specific “Total Price” for each item of inventory. There is no provision in the Agreement or in Schedule 2 that allows Incora to unilaterally adjust the listed “Total Price” for purposes of passing along tariffs or any other charges to Gulfstream. Accordingly, Gulfstream does not owe anything to Incora on account of these alleged tariff charges.

35. **Second**, Incora speculates that Gulfstream must be paying tariffs on account of the Assigned Open Purchase Orders and therefore should pay those amounts with respect to the Non-Assigned Open Purchase Orders too. (Obj. ¶ 28.) Not so. The suppliers delivering parts to Gulfstream pursuant to the Assigned Open Purchase Orders have not passed tariffs through to Gulfstream.

36. **Third**, Incora incorrectly attempts to equate tariffs with the cost of transporting the parts delivered under Non-Assigned Open Purchase Orders to Gulfstream’s facilities. But as the text of Agreement §6(e) makes clear, when the parts are delivered to Incora, Incora is obligated to “make the products delivered in the Non-Assigned Open Purchase Order deliveries available for freight pickup, at Gulfstream’s cost, to be delivered to a facility of Gulfstream’s choice.” *Id.* Freight charges are not tariffs. Nothing in §6(e) obligates Gulfstream to pay tariff costs.

37. **Fourth**, although Gulfstream has repeatedly asked to see copies of the Non-Assigned Open Purchase Orders so that it could verify warranties and other information, Incora has refused to allow Gulfstream to review the Non-Assigned Open Purchase Orders. Incora also has not included these purchase orders or the invoices charging Incora for tariffs with its Objection. Thus, there is zero proof before the Court that these suppliers were entitled to include the cost of tariffs when billing Incora or that they actually did include these charges.

38. *Finally*, Incora argues that the parties' Transition Services Agreement overrides the pricing terms in the Agreement. Pointing to §3.2 of that agreement, Incora argues that because it made certain agreements with Gulfstream about how it was to deliver parts ordered under the Non-Assigned Open Purchase Orders that this means that Gulfstream agreed to pay tariffs or other charges. Again not so. In making this argument, Incora omits that §3.2 also states: "Gulfstream will pay for Non-Assigned Purchase Orders in accordance with the [Agreement]." (*See* Ex. B to Mr. Scott's Declaration at §3.2.) And the Agreement, as outline above, only required Gulfstream to pay the price listed on Schedule 2. In short, nothing in the Transition Services Agreement makes any mention of tariffs or purports to allow Incora to modify the payment terms of the Agreement.

39. Incora has no basis to pass through its tariff charges to Gulfstream. The Court therefore should deny Incora's requested credit against the amounts due.<sup>6</sup>

### CONCLUSION

For all of the foregoing reasons, Gulfstream requests that the Court order Incora: (a) to pay \$9,882,878.79 to Gulfstream, subject to the right of Gulfstream to make further claims should Incora fail to complete its performance under the Agreement; or (b) alternatively, order Incora to pay Gulfstream \$4,346,743.51 and to deliver the missing parts and certifications for parts or otherwise address the problems for the parts set forth on Exhibit C to Mr. Scott's Declaration, all subject to Gulfstream's right to make further claims should Incora fail to complete its performance under the Agreement; and (c) grant such other relief as may be just.

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<sup>6</sup> Incora contends that based on §5(b)(i) of the Agreement, it is entitled to set off the tariffs against amounts it owes to Gulfstream. But Agreement §5(b)(i) addresses only inventory that Gulfstream bought at the non-FSL locations. That provision of the Agreement allows Gulfstream to offset amounts due to it for under shipments of inventory from the non-FSL locations against any amounts Gulfstream might owe under the Agreement. Section 5(b)(i) does not grant Incora any setoff rights. The Court does not have to address this issue because nothing is due from Gulfstream for tariffs. But to the extent that this issue becomes relevant, Incora does not have a right of setoff under the Agreement.

Dated: February 6, 2026

Respectfully submitted

By: /s/ Matthew S. Okin

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**CERTIFICATE OF SERVICE**

I hereby certify that on February 6, 2026, a true and correct copy of the foregoing Response was served via the Court's CM/ECF system to all parties consenting to service through the same.

By: /s/ Matthew S. Okin

Matthew S. Okin

**EXHIBIT 1**  
**Declaration of Nicholas Scott**

**IN THE UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF TEXAS  
HOUSTON DIVISION**

In re:

WESCO AIRCRAFT HOLDINGS, INC., *et al*,  
  
Debtors.

Chapter 11

Case No. 23-90611 (MI)

(Jointly Administered)

**DECLARATION OF NICHOLAS SCOTT IN SUPPORT OF  
GULFSTREAM AEROSPACE CORPORATION'S RESPONSE  
IN OPPOSITION TO THE REORGANIZED DEBTOR'S  
OBJECTION TO ADMINISTRATIVE EXPENSE APPLICATION**

I, Nicholas Scott, hereby declare under penalty of perjury as follows:

1. I am a Business Analyst for Gulfstream Aerospace Corporation ("**Gulfstream**"). I submit this Declaration on behalf of Gulfstream in support of its *Response in Opposition to the Reorganized Debtor's Objection to Administrative Expense Application Filed by Gulfstream Aerospace Corporation* (the "**Response**"). I have personal knowledge of the matters set forth herein and in the Response, either by way of my own experiences as a Business Analyst or based upon information provided to me by my colleagues at Gulfstream.

2. Among my duties as a senior financial analyst, I participated in preparing Gulfstream's claims against Incora arising out of the Transition Agreement dated February 6, 2024 (the "**Agreement**"), a true and correct copy of which is attached hereto as Exhibit A. I also participated in the discussions with Incora regarding the amounts owed to Gulfstream.

3. I have read the Response. Each of the factual statements made in the Response are true and correct and I would be able to testify to those matters if called to do so at a hearing.

4. In summary, Incora owes Gulfstream a refund under Agreement §5(b)(i) because the Incora Inventory purchased from locations other than the Savannah forward stocking location

(the “FSL”) was less than the inventory listed on Schedule 1. Incora also owes Gulfstream a refund under Agreement §6 because Gulfstream paid certain invoices issued in connection with Non-Assigned Open Purchase Orders twice. Incora also owes Gulfstream a refund under Agreement §6 for parts and margin payments it paid for parts that have not been delivered under certain Non-Assigned Open Purchase Orders. Incora also has failed to provide the certifications required by the Federal Aviation Administration and European Union Aviation Safety Agency for certain parts delivered pursuant to Non-Assigned Open Purchase Orders rendering those parts useless and effectively non-delivered. Incora owes Gulfstream a refund for these parts and the margin it paid for these parts or it should deliver the certifications required under federal and European Union law.

5. The total that Incora owes to Gulfstream is \$9,882,878.79 broken down by category of claim as follows:

Inventory Not Received from the Non-FSL Facilities:	\$4,346,743.51
Double-paid Invoices	\$ 768,360.19
Under shipments/No Certifications	<u>\$4,767,775.09</u>
<b>Total:</b>	<b><u>\$9,882,878.79</u></b>

6. Gulfstream has provided detailed information to Incora on multiple occasions regarding each of the categories of claims that it asserts in its Administrative Expense Claim. For the amounts due as a result of inventory shortfalls at the non-FSL Facilities, Gulfstream sent detailed reconciliations on August 14 and September 23, 2024. On March 4, and July 23, 2025, Gulfstream informed Incora that its claim that Mexicali inventory had not been counted was incorrect and provided detailed support demonstrating that the inventory Incora claimed was in transit was counted in the total inventory received. Gulfstream against sent reconciliations on November 14, and December 5, 2025. But despite agreeing that there is due at least \$1,175,899.75

of under-shipments of inventory from the non-FSL locations, Incora has not paid that amount or provided informally or in its Objection any detailed information or documentation that rebuts the amounts claimed by Gulfstream.

7. Similarly, with respect to the amounts due for parts not received or received without proper certifications on account of Non-Assigned Open Purchase Orders, Gulfstream has provided Incora with detailed schedules and other information on multiple occasions, including on January 29, April 22, and August 24, 2025.

8. On November 18, 2024 and March 4, 2025, Gulfstream provided Incora with the detail surrounding its double payment of certain invoices. Despite the fact that Incora does not dispute the double-payment, it has not reimbursed Gulfstream the \$768,360.19 that is owed on account of these double-payments.

9. Attached hereto as Exhibit B is a true and correct copy of the Transition Services Agreement dated March 8, 2024, which is referenced in the Response.

10. Attached hereto as Exhibit C is a true and correct listing of parts that were not included in shipments where Incora has received payment, or were parts delivered with certifications or otherwise not in conformance with Incora's obligations under the Agreement.

11. Gulfstream has detailed inventory records that support the number and dollar amount of parts received from each of the non-forward stocking locations and of the parts listed on Schedule 1 that were not received. Due to their volume these documents are not attached as exhibits to this Declaration, but will be produced at any hearing held to resolve Incora's Objection to Gulfstream's administrative expense claim. I used those records to prepare the charts contained in the Response summarizing the dollar value and quantity of the parts delivered from Incora locations other than the forward stocking location.

Pursuant to 28 U.S.C. §1746, I declare under penalty of perjury that the foregoing statements are true and correct to the best of my knowledge, information, and belief.

Dated: February 6, 2026  
Savannah, Georgia



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Nicholas Scott  
Business Analyst  
Gulfstream Aerospace Corporation

# **Exhibit A**

(Transition Agreement dated February 6, 2024)

## **TRANSITION AGREEMENT**

This Transition Agreement (hereinafter, this “Transition Agreement”) is made and entered into as of February 6, 2024 by and among Wesco Aircraft Holdings, Inc., Wesco Aircraft Hardware Corp., and their affiliated and related debtors in possession (collectively, the “Debtors” or “Incora”) in Case No. 23-90611 (MI) pending in the United States Bankruptcy Court for the Southern District of Texas (the “Bankruptcy Court”); and Gulfstream Aerospace Corporation (“Gulfstream”) (each of Gulfstream and the Debtors, a “Party,” and together, the “Parties”).

## **RECITALS**

WHEREAS, the Parties are party to (a) that certain Memorandum of Agreement Number GAC-SAV-AP-ALLRi-10229-Hardware dated January 1, 2020 (the “Contract”), through which, among other things, the Debtors sell certain hardware to Gulfstream and (b) that certain Memorandum of Agreement Number GAC-SAV-PS-SIT-1580 dated September 30, 2019 (the “Tulsa Contract”);

WHEREAS, on June 1, 2023 (the “Petition Date”), the Debtors filed voluntary petitions for relief under chapter 11 of title 11 of the United States Code (the “Bankruptcy Code”) in the Bankruptcy Court, and, since then, the Debtors have been operating their businesses and managing their properties as debtors-in-possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code (the “Bankruptcy Case”);

WHEREAS, by motion dated December 11, 2023, the Debtors sought to reject the Contract [Dkt. No. 1057] (the “Rejection Motion”);

WHEREAS, Gulfstream filed a limited objection to the Rejection Motion on December 29, 2023 [Dkt. No. 1147];

WHEREAS, by motion dated January 10, 2024, Gulfstream sought to modify the automatic stay to allow recoupment or alternatively setoff [Dkt. No. 1205] (the “Setoff Motion”);

WHEREAS, the Debtors filed a limited objection to the Setoff Motion on February 1, 2024 [Dkt. No. 1352];

WHEREAS, the Bankruptcy Court held a hearing to consider the Rejection Motion on January 30, 2024 (the “Hearing”), during which Hearing the Bankruptcy Court ordered the Debtors and Gulfstream to engage in discussions to mediate the disputes relating to the Contract, including the Rejection Motion and the Setoff Motion;

WHEREAS, the Parties discussed and negotiated the disputes and reached a memorandum of understanding signed and dated February 2, 2024 (the “Memorandum of Understanding”), and advised the Bankruptcy Court of the Memorandum of Understanding at a status conference on February 2, 2024;

WHEREAS, the Parties have engaged in discussions and have negotiated at arms’ length in an effort to reach a consensual resolution of the disputes relating to the Contract, and have

ultimately agreed that it is in their respective best interests to fully resolve the disputes on the terms set forth in this Transition Agreement, without the need for further litigation.

## AGREEMENT

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

**Section 1. Effective Date.** The agreement set out in this Transition Agreement is subject to the entry of an order of the Bankruptcy Court, in the form acceptable to the Parties, approving this Transition Agreement (the “Transition Approval Order”). Upon the later of (a) entry of the Transition Approval Order and (b) execution and delivery of signature pages to this Transition Agreement (the later of (a) and (b), the “Effective Date”), the Transition Agreement shall become effective and binding on the Parties.

**Section 2. Outstanding Amounts Owed among the Parties.** The Parties agree that Gulfstream owes the Debtors \$22,289,178.05, consisting of (a) \$8,961,324.67 pursuant to a May 2023 invoice; (b) \$8,740,033.74 pursuant to a November 2023 invoice; (c) \$3,767,157.64 pursuant to a December 2023 invoice; and (d) \$820,662.00 for on-demand purchases. The Parties agree that the Debtors owe Gulfstream \$7,410,732.71, consisting of (a) \$6,675,732.71 for 2023 rebates; and (b) \$735,000.00 in liquidated accrued damages from April 2022 through December 2023.

**Section 3. Net Invoiced Amount.** In accordance with Section 2, the Parties agree that the net amount due from Gulfstream to the Debtors is \$14,878,445.34 (the “Net Invoiced Amount”). The Net Invoiced Amount will be paid by Gulfstream, without any right to or defense of setoff or recoupment, within three (3) business days after the Effective Date. For the avoidance of doubt, if the Net Invoiced Amount is not timely paid, the Debtors may cease all deliveries and other performance under this Transition Agreement and the Memorandum of Understanding (but shall not cease its performance of section 5 of the Memorandum of Understanding). Gulfstream will pay invoices under the Tulsa Contract dated on or after December 26, 2023, according to ordinary business terms.

**Section 4. Purchase Price.** In consideration of the business transition described in Sections 5 through 9 herein, Gulfstream shall pay the Debtors \$175,942,012.49 (the “Purchase Price”). The Purchase Price shall be paid by Gulfstream, in immediately available funds, without any right to or defense of setoff or recoupment, immediately upon the Effective Date, and in no event later than one (1) business day after the Effective Date, *provided* that the Transition Approval Order makes an express finding of Gulfstream’s good faith under section 363(m) of the Bankruptcy Code. For the avoidance of doubt, if the Purchase Price is not timely paid, the Debtors may cease all deliveries and other performance under this Transition Agreement and the Memorandum of Understanding (but shall not cease its performance of section 5 of the Memorandum of Understanding).

**Section 5. Inventory Sale.**

(a) Gulfstream shall purchase on the Effective Date all Incora-owned inventory listed on **Schedule 1** (the “Incora Inventory”), free and clear of all liens, claims and encumbrances,

pursuant to 11 U.S.C. § 363. Title over such Incora Inventory shall transfer to Gulfstream upon payment of the Purchase Price.

(b)

(i) With respect to Incora Inventory not listed as being stored at the Savannah forward stocking location (the “FSL”), the Parties agree to periodically reconcile discrepancies between **Schedule 1** and the Incora Inventory available to transfer to Gulfstream, by updating the Purchase Price by an amount equal to the “total price” for such item(s) listed in **Schedule 1**. Any adjusting payment owed by the Debtors to Gulfstream under this Section 5(b) shall be entitled to administrative expense status, without further application by Gulfstream, and may be subject to offset against post-petition payment obligations of Gulfstream. In the event a reconciliation of **Schedule 1** results in an adjusting payment due to Gulfstream, the Debtors shall pay the amount due to Gulfstream within fifteen (15) business days of the date such adjusting payment is agreed between the Parties.

(ii) Between the date the Transition Agreement is executed and the entry of the Transition Approval Order, the Parties shall jointly perform a sample inventory check of the Incora Inventory listed on **Schedule 1** as being located at the FSL (the “FSL Inventory”). If the sample inventory check is up to 7% less than the corresponding FSL Inventory, then there shall be no further reconciliation of FSL Inventory and Gulfstream shall accept all Incora Inventory stored at the FSL in full satisfaction of Incora’s obligation to deliver the FSL Inventory. If the sample inventory check is more than 7% less than the corresponding FSL Inventory, then Gulfstream may elect to (a) accept all Incora Inventory stored at the FSL in full satisfaction of Incora’s obligation to deliver the FSL Inventory or (b) conduct a comprehensive reconciliation of FSL Inventory. Until the sample inventory check (and, if necessary, the comprehensive FSL reconciliation) has been completed, neither the Debtors nor Gulfstream shall remove or ship Incora Inventory to or from the FSL. If a comprehensive reconciliation occurs and demonstrates a discrepancy, the Purchase Price shall be updated as set forth above.

(c) The Debtors shall make the Incora Inventory located at facilities other than the FSL available for freight pickup, at Gulfstream’s cost, to be delivered to a facility of Gulfstream’s choice so that all of the inventory at these locations has been delivered to Gulfstream’s carriers by March 31, 2024. The Debtors will use commercially reasonable, good faith efforts to resume deliveries of the Incora Inventory immediately on the Effective Date pursuant to Gulfstream’s specific direction on which products to ship, in which order, and in which quantity. The Debtors may elect at Gulfstream’s request to deliver Incora Inventory to Gulfstream before the Effective Date (an “Early Delivery”), *provided* that Gulfstream pays that portion of the Purchase Price attributable to the Early Delivery upon receipt of the Early Delivery, at which time title will pass to the inventory included in the Early Delivery.

(d) The parties agree that Incora-owned inventory that is presently located in the United Kingdom and has been purchased by Incora to support Gulfstream will be purchased under a separate agreement to be negotiated in good faith and mutually agreed by the parties on substantially similar economic terms as this Transition Agreement.

#### **Section 6. Open Purchase Orders.**

(a) Gulfstream shall accept all open purchase orders placed by the Debtors to support Gulfstream as of the date hereof (the “Open Purchase Orders,” and each one an “Open Purchase Order”), as specified in **Schedule 2**, and shall accept delivery of the products and inventory under each such Open Purchase Order without modification or delay.

(b) In connection with approval of this Transition Agreement, the Debtors will seek authority, pursuant to sections 363 and 365 of the Bankruptcy Code, to assume and assign to Gulfstream the Open Purchase Orders (the “Assumption Motion”), free and clear of all liens, claims and encumbrances. The proposed order to authorize such assumption and assignment will provide that an Open Purchase Order will not be assumed and assigned if the relevant supplier (a) delivers a written notice to Incora and Gulfstream, prior to the deadline to object to the Assumption Motion, requesting that the Open Purchase Order not be assigned, (b) files an objection to the Assumption Motion, or (c) asserts a cure claim in connection with assumption and assignment of the Purchase Order. The Debtors’ service of the Assumption Motion on suppliers will include an opt-out form to allow suppliers to request that their Open Purchase Orders not be assigned. In the event an Open Purchase Order is not assumed and assigned to Gulfstream, the Debtors will not reject and will assume the Open Purchase Order.

(c) For all Open Purchase Orders that are assigned to Gulfstream, the Debtors will have no further obligation and there will be no refund of the Margin for any reason.

(d) For Open Purchase Orders that are not assigned to Gulfstream (the “Non-Assigned Open Purchase Orders,” and each one a “Non-Assigned Open Purchase Order”), the Parties agree to reconcile, reasonably promptly following the close of each calendar quarter, any discrepancies between **Schedule 2** and goods that are delivered to Gulfstream under the Non-Assigned Open Purchase Orders if and to the extent there are Non-Assigned Open Purchase Orders that have been modified or cancelled by the applicable supplier. If a Non-Assigned Open Purchase Order is modified or cancelled by the applicable supplier, the Debtors may either (i) replace the Non-Assigned Open Purchase Order by placing an order with another approved supplier of the same parts, at the same price and same delivery date to Gulfstream; or (ii) refund the margin at the rate set forth in **Schedule 2** (the “Margin Refund”) within fifteen (15) business days of the date such Margin Refund is agreed between the Parties. If the cumulative deliveries to Gulfstream pursuant to Non-Assigned Open Purchase Orders are less than the cumulative Total Price of *all* Non-Assigned Open Purchase Orders (without any frustration of any kind by Gulfstream concerning the acceptance or delivery of the inventory subject to the Non-Assigned Open Purchase Orders), then the Debtors shall issue a Margin Refund within fifteen (15) business days of the date such Margin Refund is agreed between the Parties, and Gulfstream’s entitlement to such Margin Refund will not be subject to any discharge or release granted to the Debtors in any confirmed plan of reorganization. For the avoidance of doubt, the Margin Refund shall be the sole remedy available to Gulfstream in such circumstances.

(e) At Gulfstream's election of delivery location and subject to agreement by the applicable supplier(s), Gulfstream may receive products under Non-Assigned Open Purchase Orders at a facility of Gulfstream's choice, with any and all incremental costs associated with such delivery to be borne by Gulfstream, *provided* that Gulfstream shall have complied with a receiving process agreed between the Parties to confirm delivery and order details to the Debtors, and that Gulfstream shall have reasonably cooperated with the Debtors in the event of any discrepancies between any applicable Non-Assigned Open Purchase Order and the inventory received. Otherwise, the Debtors shall continue to receive the Non-Assigned Open Purchase Order deliveries at the Debtors' facilities, in which case the Debtors shall make the products delivered in the Non-Assigned Open Purchase Order deliveries available for freight pickup, at Gulfstream's cost, to be delivered to a facility of Gulfstream's choice. For the avoidance of doubt, if the Debtors continue to receive the Non-Assigned Open Purchase Order deliveries at the Debtors' facilities, certain transitory warehouse space at the Debtors' facilities shall be allocated for such Non-Assigned Open Purchase Order deliveries; in the event Gulfstream desires long-term storage, a storage agreement may be established separate from this Transition Agreement. The Parties will, to extent possible, act in such a way as to place Gulfstream in the same position as if the Non-Assigned Open Purchase Orders had been assigned to Gulfstream (except with respect to confidentiality). The Debtors will take reasonable direction from Gulfstream as to performance and notices under such Non-Assigned Open Purchase Orders (but in no event will any such direction have any impact on the Debtors' cost under such Non-Assigned Open Purchase Orders or to the Debtors' entitlement to the Margin).

(f) In addition to the Purchase Price, Gulfstream shall pay the Debtors an amount equal to the Total Price minus the Margin percentage set forth in **Schedule 2** of the Total Price of each Non-Assigned Open Purchase Order (the "**PO Value**") promptly upon delivery of each such Non-Assigned Open Purchase Order, and in no event later than five (5) business days following delivery of an invoice by the Debtors. In the event of a dispute between the Parties related to an invoice by the Debtors, the Parties will work in good faith to resolve the dispute promptly; but for the avoidance of doubt, Gulfstream shall remain bound by the requirements of this Section 6(f). In the event Gulfstream fails for any reason to pay the Debtors the PO Value within five (5) business days following delivery of an invoice by the Debtors, the Debtors may, at their discretion and upon notice to Gulfstream, suspend delivery of goods under Open Purchase Orders until all amounts owed by Gulfstream under this Section 6(f) are paid in full. The Debtors shall invoice Gulfstream for aggregate PO Value once per week except to the extent otherwise agreed in writing between the Parties. Title over the inventory subject to each Non-Assigned Open Purchase Order will pass to Gulfstream upon payment of the corresponding PO Value.

(g) In order to preserve the confidential information of suppliers party to Non-Assigned Open Purchase Orders (including with respect to supplier pricing information), the Parties agree that, unless such supplier otherwise consents in writing, Gulfstream shall not have any right to access or review any supplier confidential information that may be in the possession of, or that may be accessed by, the Debtors, including any right to access or use any supplier pricing information. In the event of a dispute between the Parties as to the volume and aggregate fees payable for Non-Assigned Open Purchase Orders, to which the average margin is to be applied, the Parties shall agree on a third party big 4 accounting firm unaffiliated with either Party which may verify the aggregate prices relevant to the dispute. Such third party shall execute a

nondisclosure agreement with the Debtors prior to being granted access to any such information, and shall not disclose any such information to Gulfstream other than to confirm aggregate amounts.

**Section 7. The FSL.**

(a) The Parties shall use commercially reasonable efforts for the Debtors to assign the lease for the FSL to Gulfstream, with a full release of any and all rights and obligations of the Debtors concerning the FSL (the “Assignment”). Alternatively, the Parties may agree that Gulfstream may lease the FSL directly from the landlord and thereunder obtain a full release of any and all rights and obligations of the Debtors concerning the FSL (the “Direct Lease,” and the Direct Lease or the Assignment, whichever is executed, the “Transfer”). Gulfstream shall reimburse the Debtors for all costs related to the FSL from the Effective Date until the Transfer. The Debtors will deliver possession of the FSL to Gulfstream upon the Transfer. Commencing upon the latest of (x) the conclusion of the sample inventory check referred to in Section 5(b)(ii), (y) if applicable, the comprehensive inventory reconciliation referred to in Section 5(b)(ii), and (z) the Effective Date, and prior to the Transfer, Gulfstream shall have reasonable access to and reasonable oversight of the FSL.

(b) The Debtors shall transfer to Gulfstream any interests they have in fixed assets currently located at the FSL, free and clear of all liens, claims and encumbrances. Gulfstream shall allow the Debtors reasonable access to retrieve all Debtor-owned or Debtor-leased information technology equipment, including computers, monitors, printers, scanners, routers, ancillary equipment, and associated software, all of which shall remain the property of the Debtors.

(c) The Parties shall cooperate to transition the Debtors’ employees at the FSL, and the Brunswick, Mexicali, or Tulsa locations to Gulfstream promptly upon the Effective Date, *provided* that the Debtors shall be permitted to employ any employee at the FSL or the Brunswick, Mexicali, or Tulsa locations who wishes to continue to work for the Debtors at a location other than the FSL or the Brunswick, Mexicali, or Tulsa locations. Gulfstream shall offer employment to all employees at the FSL or the Brunswick, Mexicali, or Tulsa locations on terms reasonably consistent with those offered by Gulfstream to its similarly situated employees.

**Section 8. Temporary Support.** At Gulfstream’s option, the Debtors will, at a price and scope to be agreed upon by the Parties, provide temporary support at the FSL until the Transfer or a subsequent date mutually agreed by the Parties, following the Effective Date as is necessary to allow Gulfstream to access the Incura Inventory at the FSL.

**Section 9. Certifications.** The Debtors shall provide Gulfstream with part certifications for parts delivered under the Contract or this Transition Agreement within sixty (60) days of the Effective Date and will provide certifications for any special mission aircraft within ten (10) days of the request. The Debtors shall deliver replacement export certifications for any previously delivered parts at Gulfstream’s Mexicali facility for which Gulfstream advises the Debtors that certifications are missing.

**Section 10. Mutual Representations; Warranties and Related Terms.**

(a) Each Party represents, warrants, covenants, and agrees, for the benefit of each of the other Parties, that (a) it or its authorized representative has read and fully understands this

Transition Agreement; and (b) except as otherwise provided in this Transition Agreement, it has all requisite corporate, limited liability company, limited partnership or other power and authority to enter into, execute, and deliver, and perform its obligations under, and consummate the transactions contemplated by, this Transition Agreement, and to bind any party or parties on whose behalf it has executed this Transition Agreement, and the execution, delivery, and performance of this Transition Agreement by it have been duly authorized by all necessary corporate and, to the extent applicable, shareholder, partner or member, actions.

(b) The sale of Incora-owned inventory or products in connection with this Transition Agreement shall be a sale of such products “as-is,” with the Debtors’ disclaiming, and Gulfstream consenting to the disclaimer of, (i) all warranties with respect to such inventory, including disclaiming any warranty of merchantability, any warranty of fitness for a particular purpose, and any warranty of noninfringement, and (ii) any and all liability arising out of the sale, delivery, receipt, or use of any such inventory. Any warranty with respect to such inventory shall be limited to those warranties that the original equipment manufacturer (OEM) of the applicable inventory offers to end customers who have purchased inventory via a reseller or third party distribution.

**Section 11. Releases.** On, and subject to the occurrence of, the Effective Date, (i) the Parties, and each of their respective past, present, and future predecessors-in-interest, successors-in-interest, and assigns shall be deemed to have fully and finally released the other Party from any and all claims, causes of action, whether sounding in law or in equity, or arising under any statute, and any suits, debts, liens, contracts, agreements, promises, liabilities, claims, demands, damages, losses, costs and expenses, of any nature whatsoever, known or unknown, suspected or unsuspected, fixed or contingent, that either of the Parties have brought, could have brought, had, or now have, against the other Party from the beginning of time through the Effective Date, including but not limited to any claims or causes of action relating to the Contract or the Tulsa Contract or to the matters raised in the Rejection Motion and/or the Setoff Motion, (ii) Gulfstream consents to rejection of the Contract and shall not assert any claim on account of rejection damages concerning the Contract, (iii) the Debtors acknowledge the recoupment of Gulfstream’s 2022 rebates as being authorized pursuant to the order entered by the Bankruptcy Court at Dkt. No. 120, (iv) the Setoff Motion shall be deemed withdrawn and (v) the Tulsa Contract shall be terminated as of the Effective Date. Notwithstanding the foregoing, no Party shall release any other Party from any claims arising under this Transition Agreement, and Gulfstream shall not be released from payments on invoices for ordinary course deliveries under the Tulsa Contract. It is understood and agreed by the parties that all rights under section 1542 of the California Civil Code or any similar law of any state or territory of the United States, ARE HEREBY EXPRESSLY WAIVED. Section 1542 states: “A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS SETTLEMENT WITH THE DEBTOR.” Each Party hereby acknowledges that it has had the opportunity to consult with legal counsel before agreeing to the terms of this Release, and that it fully understands its meaning including the meaning and effect of the provisions relating to section 1542 of the California Civil Code.

**Section 12. Further Documentation and Additional Undertakings.**

(a) The Debtors shall revise the proposed order authorizing rejection of the Contract filed at Dkt. No. 1057-2 in Case No. 23-90611 (MI) to (i) seek the Bankruptcy Court's approval of this Transition Agreement and authorization of the Debtors to enter into and perform under this Transition Agreement, and (ii) make an express finding of Gulfstream's good faith under section 363(m) of the Bankruptcy Code and that the sales and assignments contemplated by this Transition Agreement are free and clear of all liens, claims and encumbrances pursuant to section 363(f) of the Bankruptcy Code. The Parties shall negotiate in good faith and use best efforts to execute and deliver signature pages to this Transition Agreement, and to obtain entry of the order authorizing rejection of the Contract at or before the hearing before the Bankruptcy Court scheduled for February 9, 2024.

(b) Gulfstream shall withdraw its proof of claim filed in Case No. 23-90611 (MI) within five (5) business days after the Effective Date.

**Section 13. Confidentiality.** The Parties agree that the Schedules to this Transition Agreement contain confidential pricing and other commercial information that would harm the Parties if such information was made public. Accordingly, the Parties agree to keep the Schedules attached to this Transition Agreement confidential and to only disclose the terms of such Schedules in court filings made under seal, and only to the extent necessary to obtain entry of the Transition Approval Order.

**Section 14. Schedules Incorporated by Reference.** Each of the schedules attached hereto and any exhibits and schedules to such exhibits and schedules is expressly incorporated herein and made a part of this Transition Agreement, and all references to this Transition Agreement shall include all such exhibits and schedules, unless otherwise so stated. In the event of any inconsistency between this Transition Agreement (without reference to any such exhibits and schedules) and any such exhibits and schedules, this Transition Agreement (without reference to any such exhibits and schedules) shall govern.

**Section 15. Termination; Effect of Termination.**

(a) Upon any entry by the Bankruptcy Court of a final order rejecting and/or denying approval of this Transition Agreement, this Transition Agreement and the obligations hereunder shall automatically terminate as to all Parties, without the need for any notice by the Parties.

(b) Upon termination of this Transition Agreement in accordance with this Section 15, this Transition Agreement shall be void *ab initio* and shall have no further force and effect, *provided*, that in no event shall any such termination relieve a Party from liability for its breach or non-performance of its obligations under this Transition Agreement prior to the date of such termination.

**Section 16. Authority.** Subject to the entry of the Transition Approval Order, the undersigned signatories represent and warrant that they are fully authorized to execute this Transition Agreement on behalf of the persons and the entities indicated below.

**Section 17. Complete Agreement.** This Transition Agreement constitutes the complete agreement of the Parties with respect to the subject matter hereof. No representations, inducements, promises or agreements, oral or written, have been made by the Parties or anyone acting on their behalf other than as contained in this Transition Agreement. Any prior agreements, promises, or representations not expressly set forth in this Transition Agreement shall be of no force or effect.

**Section 18. Severability.** The substantive provisions of this Transition Agreement are mutually dependent, integrated, essential, and not severable.

**Section 19. Amendments or Waivers.** Except as otherwise provided herein, this Transition Agreement may not be amended, modified, altered, or waived except by a separate agreement in writing signed by each of the Parties. No waiver of any provision of this Transition Agreement shall be deemed or shall constitute a waiver of any other provisions.

**Section 20. Headings.** The headings of all sections of this Transition Agreement are inserted solely for the convenience of reference and are not a part of and are not intended to govern, limit, or aid in the construction or interpretation of any term or provision hereof.

**Section 21. Governing Law; Submission to Jurisdiction.** This Transition Agreement, and any disputes related thereto, shall be governed by and be construed in accordance with the laws of the state of Georgia. The Parties submit to the exclusive jurisdiction of the Bankruptcy Court for any litigation arising out of or relating to this Transition Agreement and agree not to commence any litigation relating to this Transition Agreement except in the Bankruptcy Court.

**Section 22. Interpretation and Rules of Construction.** This Transition Agreement is the product of negotiations among the Parties, and in the enforcement or interpretation hereof, is to be interpreted in a neutral manner, and any presumption with regard to interpretation for or against any Party by reason of that Party having drafted or caused to be drafted this Transition Agreement, or any portion hereof, shall not be effective in regard to the interpretation hereof. The Parties are sophisticated persons and were each represented by counsel during the negotiations, drafting, and execution of this Transition Agreement.

**Section 23. Further Assurances.** Subject to the other terms of this Transition Agreement, from and after the Effective Date, the Parties agree to execute and deliver such other instruments and perform such acts, in addition to the matters herein specified, as may be reasonably appropriate or necessary from time to time, to effectuate and implement the terms of this Transition Agreement.

**Section 24. Counterparts.** This Transition Agreement may be executed in any number of counterparts, each of which constitutes an original and all of which constitute one and the same Transition Agreement. Emails that attach signatures in PDF form or facsimiles of signatures shall constitute acceptable, binding signatures for purposes of this Transition Agreement.

**Section 25. Notices.** All notices, consents, waivers, and other communications under this Transition Agreement must be in writing and will be deemed to have been duly given if delivered personally, sent by email, mailed by registered or certified mail (return receipt requested), or delivered by an express courier (with confirmation), in each case to the appropriate

addresses and representatives (if applicable) set forth below (or such other addresses and representatives as a Party may designate by like notice):

- (a) If to any of the Debtors, then to:
  - (i) Incora  
2601 Meacham Blvd., Suite 400  
Fort Worth, TX 76137  
Attn: Dawn Landry  
Email: Dawn.Landry@incora.com
  - (ii) With a copy to:  
  
Milbank LLP  
55 Hudson Yards  
New York, NY 10001  
Attn: Dennis F. Dunne  
Benjamin Schak  
Telephone: 212-530-5000  
Email: DDunne@Milbank.com  
BSchak@Milbank.com
- (b) If to Gulfstream, then to:
  - (i) Gulfstream Aerospace Corporation  
500 Gulfstream Road  
Savannah, GA 31408  
Attn: Mayra Calzadilla-Vieito  
Telephone: 912-965-7233  
Email: mayra.calzadilla@gulfstream.com
  - (ii) With a copy to:  
  
Jenner & Block LLP  
353 N. Clark Street  
Chicago, IL 60654  
Attn: Catherine Steege  
Telephone: 312-923-2952  
Email: csteege@jenner.com

Agreed to and accepted this 6th day of February, 2024:

**The Debtors in *In re Wesco Aircraft Holdings, Inc.*, Case No. 23-90611 (MI)  
(jointly administered)**

By:   
\_\_\_\_\_  
Name: Dawn R. Landry  
Title: Chief Administrative Officer

**Gulfstream Aerospace Corporation**

By:   
\_\_\_\_\_  
Name: Ira Berner  
Title: Sr. VP, Admin + General Counsel

**Schedules 1 and 2 filed under seal.**

## **Exhibit B**

(Transition Services Agreement Between Gulfstream Aerospace Corporation and Wesco Aircraft Hardware Corp. DBA Incora)

**TRANSITION SERVICES AGREEMENT**

**BETWEEN**

**GULFSTREAM AEROSPACE CORPORATION**

**AND**

**WESCO AIRCRAFT HARDWARE CORP. DBA INCORA**

This Transition Services Agreement (the “**TSA**”) is made and entered into as of February 10, 2024 (“**Effective Date**”) between Gulfstream Aerospace Corporation, a Georgia corporation having its principal place of business at 500 Gulfstream Rd., Savannah, GA 31408, (“**Gulfstream**”) and Wesco Aircraft Hardware Corp., dba Incora, a California corporation having its principal place of business at 2601 Meacham Blvd., Ste. 400, Fort Worth, TX 76137 (“**Incora**”), either or both of which may be referred to herein as a “**Party**” or the “**Parties**”, respectively.

**WITNESSETH:**

**WHEREAS**, the Parties entered into a Transition Agreement dated February 6, 2024 (“**TA**”) related to the sale of certain inventory and the assignment or continued performance of Open Purchase Orders; and;

**WHEREAS**, the Parties wish to agree to terms and conditions for the supply of transition services to be provided by Incora to Gulfstream as more fully described herein (“**Transition Services**”);

**NOW, THEREFORE**, in consideration of the mutual promises and covenants herein contained and other valuable consideration, the Parties agree as follows:

**1. DEFINITIONS AND INTERPRETATION**

Except as expressly stated in this TSA, capitalized terms shall be deemed to have the same meaning as in the TA and the interpretation provisions of the TA shall apply to this TSA.

**2. FSL FEE; FSL SERVICE FEE; OVERTIME FEE; NL SERVICE FEE**

Pursuant to Section 7(a) of the TA, Gulfstream shall pay Incora \$22,000.00 per month (“**FSL Fee**”) to reimburse Incora for the operational costs related to the Savannah FSL payable monthly until the Transfer of the Savannah FSL to Gulfstream is completed.

Gulfstream shall pay Incora \$460,000.00 per month (“**FSL Service Fee**”) for the Savannah FSL Transition Services set forth below, performed during that month. Standard working hours apply from Monday through Friday. A portion of the FSL Service Fee is attributable to each of the 24 Incora employees (plus Terry Lewis) listed in Exhibit A hereto. The FSL Service Fee shall be reduced by \$11,795.00 as any of those employees cease to work for Incora at the FSL or are hired directly by Gulfstream. The Parties acknowledge that once employees are hired directly by Gulfstream, they will no longer have access to Incora systems.

Upon request from Gulfstream for Overtime work in the Savannah FSL, Gulfstream will pay Incora \$148.28 per hour per employee that works Overtime (“**Overtime Fee**”). The total number of Overtime hours worked will be invoiced and applied to the monthly invoice.

For the period between February 10, 2024 and March 5, 2024, Gulfstream shall pay Incora \$37,500.00 (“**NL Service Fee**”) for certain services provided related to the Open Purchase Orders.

The FSL Fee, the FSL Service Fee, the Overtime Fee and the NL Service Fee (the “**Fees**”) shall accrue and be payable by Gulfstream on a monthly basis. Incora shall invoice Gulfstream monthly at the end of the month for the services provided. Gulfstream shall pay within 10 days of the date of the invoice. Payments will be made via wire transfer with the same bank account details and instructions as payments made under the TA. Upon termination of the Transition Services, a pro-rata calculation will be used to determine the final fee.

In the event any of the Fees are not timely paid, Incora may cease providing services hereunder.

### 3. SCOPE OF SERVICES

Incora will provide Transition Services to Gulfstream at the FSL or other locations as mutually agreed by the Parties beginning on the Effective Date and continuing until this TSA is terminated. The Transition Services are intended to enable continued operations at the FSL using Incora employees, Incora owned computing platforms, Incora leased buildings, and Incora owned fixed assets located in the FSL as further outlined below:

#### 3.1. Savannah FSL Transition Services

- In each case subject to the availability of applicable inventory at the Savannah FSL, Incora shall use commercially reasonable, good faith efforts to
  - o Pull parts from FSL assigned location(s) to meet Gulfstream pick list.
  - o Pick to Gulfstream provided pick list and quantities as provided by Ken Harlin or other designated Gulfstream POC.
- Pack and label orders with Gulfstream oversight for pickup by Gulfstream.
  - o Within a reasonable time, provide daily detail pick list and quantity of each part number picked.
  - o Adjust the quantities in the JDE to reflect picks noted above since the TA Effective Date until Gulfstream advises Incora that all necessary information has been transferred from JDE to SAP. Gulfstream acknowledges that because of transfers by Gulfstream not updated in JDE, the FSL inventory in JDE is no longer up to date effective February 25, 2024.
- For any Special Missions request/parts, Incora will transfer all records and documentation related to certificate of conformance upon delivery and provide them as hard copy with the parts. This only applies to Schedule 1 parts and Non-Assigned Purchase Orders.
- Gulfstream to pick up and transport the parts to a local Gulfstream facility in Savannah, Georgia.
- On a date defined by Gulfstream, the Parties shall commence a sample physical inventory (~1,500 part numbers and ~6,200 lines) of the Savannah FSL.
  - o The sample physical inventory shall be completed using commercially reasonable efforts with the intent of the count to take ~10 business days in support of Gulfstream’s external audit requirements.
    - Incora recommends that Incora utilize trained personnel (~8 Incora personnel) to conduct the sample physical inventory count. Direction for daily count priority will be directed by Gulfstream employee Ken Harlin. Gulfstream personnel shall supplement the Incora team as needed.
    - Incora shall adjust the quantities in the JDE to reflect sample physical inventory count noted above since the TA Effective Date until Gulfstream advises Incora that all necessary information has been transferred from JDE to SAP. Gulfstream acknowledges that because of transfers by

Gulfstream not updated in JDE, the FSL inventory in JDE is no longer up to date effective February 25, 2024.

- During the sample physical inventory assessment, no parts will be received or delivered at the FSL.
- This TSA does not contemplate Incora working outside of normal business hours or weekends. In the event Gulfstream requests Incora work during such times, Incora shall consider such request in good faith, and, to the extent Gulfstream and Incora agree on the personnel and scope and timing of work, Incora shall perform such agreed incremental support and Gulfstream shall pay the applicable Overtime Fee. The Parties acknowledge the current number of employees working at the FSL is 24. A list of those 24 employees (plus Terry Lewis) is attached hereto as Exhibit A. Incora has estimated the number of resources required to perform the Transition Services based on 24 employees and previous levels of work accomplished and believes the headcount is appropriate. To the extent more or less employees are required to complete the FSL Transition Services, the Parties will negotiate in good faith to determine the appropriate level of support and any adjustment to the Service Fees. The Incora Savannah FSL employees will remain in the Savannah FSL working normal business hours performing inventory control, receiving, stocking, picking, and shipping parts or at another designated Gulfstream location (Building J or 133 Coleman Boulevard, for example) to verify accuracy and confirm receipt of Incora Inventory alongside Gulfstream employees. Requests for alternative work assignments will be considered and agreed mutually by the Parties.

### **3.2. Non-Assigned Purchase Orders**

- For Non-Assigned Purchase Orders, Incora shall:
  - o receive the boxed, palletized or otherwise contained parts (“**Shipment**”) at its Northlake facility;
  - o confirm and cross reference the Shipment against an open Non-Assigned Purchase Order;
  - o not open, breakdown, or otherwise change the original supplier packaging of the Shipment;
  - o do a cross dock transfer of the Shipment and advise Gulfstream that the Shipment is available to pick up or ship at Gulfstream’s sole expense, via a weekly invoice;
  - o provide Gulfstream with sufficient details to enable Gulfstream to issue a purchase order to Incora for the Shipment available on the weekly invoice.
- Gulfstream will coordinate transfer of the Shipment to a Gulfstream facility promptly, and in no event in more than 15 days after Incora issues its weekly invoice. If Gulfstream fails to do so, Incora may at its option either send the Shipment to Gulfstream for Gulfstream’s account or charge a reasonable storage fee.
- Gulfstream will pay for Non-Assigned Purchase Orders in accordance with the TA.
- For the avoidance of doubt, after the Effective Date, no inventory shall be shipped to or received at the FSL until the Transfer is complete.

### **3.3. Assigned Open Purchase Orders**

- Gulfstream will assume all responsibility for Open Purchase Orders assigned to Gulfstream (“**Assigned Open Purchase Orders**”) and direct shipment to Savannah to receive parts into SAP. Payment will be made by Gulfstream directly to the supplier.

## **4. MANNER OF PERFORMANCE**

Incora shall provide the Transition Services using a level of skill, quality, care, and timeliness that is substantially similar to the manner in which Incora previously provided similar services to Gulfstream during the 12 months prior to the effective date of the TA. Gulfstream shall not be permitted to access Incora’s IT systems or computing environments in connection with Gulfstream’s receipt of the Transition

Services under this TSA. Incora has established a Customer Self Service Portal ("**Portal**") for Gulfstream to access documentation related to Schedule 1 and Schedule 2 of the TA. That Portal shall continue to function and be available to Gulfstream until June 28, 2024. Incora will utilize commercially reasonable efforts to provide Gulfstream the inventory location index in Excel format within 24 hours of the request for this data from Gulfstream. Incora shall not be obligated to engage any additional personnel, acquire or lease any additional space, or acquire, lease, or otherwise obtain a right to use any asset or resource in addition to that which Incora has obtained in the ordinary course of operations of its business.

## 5. EFFECTIVE DATE AND DURATION

This TSA is effective from the Effective Date set forth above and shall automatically expire 60 days thereafter ("**Period of Performance**"). Gulfstream may elect to extend the Period of Performance, under the same terms and conditions contained herein, by providing Incora with 30 days prior written notice, subject to Incora's agreement on all terms.

## 6. LIMITATION OF LIABILITY

Except to the extent arising from a Party's willful misconduct, gross negligence or fraud, neither Party shall be liable to the other, whether in contract, tort (including negligence and strict liability), or otherwise, for any direct, ordinary, indirect, consequential, special, incidental or punitive damages, or any other form of damages or other liability, which arise out of, relate to or are a consequence of the performance or breach hereunder, or the provision of or failure to provide any Transition Services hereunder, including but not limited to loss of profits, loss of goodwill and damage to reputation; provided, however, that the foregoing and nothing else in this TSA shall limit Gulfstream's obligation to pay fees and expenses to Incora in accordance with this TSA.

Each Party shall indemnify, hold harmless, and defend the other, at the indemnified Party's request, against all Losses arising out of or related to any third-party claim arising out of the indemnifying Party's gross negligence, willful misconduct, or fraud. Except for activities at the Northlake facility, Gulfstream shall indemnify, hold harmless, and defend Incora, at Incora's request, against all Losses arising out of or related to any third-party claim arising out or related to any equipment or other product ordered, stored, handled, shipped, delivered, or otherwise utilized by Incora in connection with its obligations under this TSA. "**Losses**" means all losses, damages, liabilities, deficiencies, claims, actions, judgements, settlements, interest, awards, penalties, sanctions, fines, costs, and expenses of whatever kind, including attorneys' fees.

## 7. GOVERNING LAW; SUBMISSION TO JURISDICTION

This TSA, and any disputes related thereto, shall be governed by and be construed in accordance with the laws of the state of Georgia. The Parties submit to the exclusive jurisdiction of the Bankruptcy Court for any litigation arising out of or relating to this TSA and agree not to commence any litigation relating to this TSA except in the Bankruptcy Court.

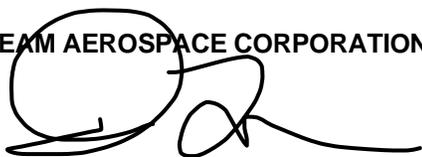
## 8. COMPLETE AGREEMENT

This TSA constitutes the complete agreement of the Parties with respect to the subject matter hereof. No representations, inducements, promises or agreements, oral or written, have been made by the Parties or anyone acting on their behalf other than as contained in this TSA. Any prior agreements, promises, or representations not expressly set forth in this TSA shall be of no force or effect.

Execution Version

IN WITNESS WHEREOF, the Parties hereto have caused this TSA to be executed utilizing electronic signatures by their duly authorized representatives.

GULFSTREAM AEROSPACE CORPORATION



BY: \_\_\_\_\_

NAME: Isaac German

TITLE: Sr. VP Admin, & Gen. Counsel

DATE: 3/8/24

WESCO AIRCRAFT HARDWARE  
CORP., DBA INCORA

BY:  \_\_\_\_\_

NAME: Dawn Landry

TITLE: Chief Administrative Officer

DATE: March 8, 2024

**Exhibit A**

Haley Venable
Marlena Greenfield
Destiny LeCounte
Donald King Jr
Makenzie Crocker
Marcus Kerr
Micheal Broadnax
Robert Reid
Shanerria Barber
Iyanna Wallace
Savannah Wilson
Lawrence Miller
Tammie Anderson
Breainka Gary
Scot Wilkerson
Brantley Jones III
Demetris Roberts
Khadeejah Jones
Matthew McCall
Mia Cooper
Sharonda Holsey
Marvin Bennett
Shannon LeCounte
Kevin Greenwell

# **Exhibit C**

(Under Shipments/No Certifications)

**FILED UNDER SEAL**

**IN THE UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF TEXAS  
HOUSTON DIVISION**

In re:

WESCO AIRCRAFT HOLDINGS, INC., *et al*,  
Reorganized Debtor.

Chapter 11

Case No. 23-90611 (MI)

(Jointly Administered)

**ORDER (I) OVERRULING REORGANIZED DEBTOR'S  
OBJECTION; AND (II) GRANTING ADMINISTRATIVE EXPENSE  
APPLICATIONS OF GULFSTREAM AEROSPACE CORPORATION**  
**(Relates to Docket No. 2978)**

The Court considered the *Reorganized Debtor's Objection to Administrative Expense Applications Filed By Gulfstream Aerospace Corporation* [Dkt. 2978] (the "**Objection**") and Gulfstream Aerospace Corporation's ("**Gulfstream**") *Response in Opposition* (the "**Response**") to the Objection. The Court, having reviewed the Objection and Response thereto, and based on the evidence and arguments presented by counsel at the hearing on the Objection, if any, finds that: (i) the Reorganized Debtor's Objection to the Gulfstream's Administrative Expense Applications<sup>1</sup> should be overruled; and (ii) Gulfstream's Administrative Expense Applications should be granted as set forth herein. Accordingly, it is hereby **ORDERED** that:

1. The Objection filed by the Reorganized Debtor is OVERRULED.
2. Gulfstream's Administrative Expense Applications are GRANTED.
3. The Reorganized Debtor is authorized and directed to pay Gulfstream the allowed

Administrative Expenses in the amount \$9,882,878.79.

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<sup>1</sup> Capitalized terms used but not defined herein shall have the meanings ascribed to them in the Objection.

4. Notwithstanding any provision of the Bankruptcy Code or the Bankruptcy Local Rules, the terms and conditions of this Order shall be immediately effective and enforceable upon its entry.

5. The Court shall retain jurisdiction over all matters arising from or related to the implementation, interpretation, or enforcement of this Order.

Dated: \_\_\_\_\_  
Houston, Texas

\_\_\_\_\_  
Marvin Isgur  
United States Bankruptcy Judge