Docket #2995 Date Filed: 02/20/2026

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

In re **WESCO AIRCRAFT HOLDINGS, INC.**[1] Reorganized Debtor.	Case No. 23-90611 (MI) Chapter 11 (Jointly Administered)

REORGANIZED DEBTOR'S REPLY IN SUPPORT OF OBJECTION TO ADMINISTRATIVE EXPENSE APPLICATIONS FILED BY GULFSTREAM AEROSPACE CORPORATION

[1] The captioned Reorganized Debtor is Incora Intermediate II LLC, the successor by merger to Wesco Aircraft Holdings, Inc. Its employer identification number is 33-2921953. Its principal office address and service address in this case is 2601 Meacham Blvd., Ste. 400, Fort Worth, TX 76137.

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The above-captioned reorganized debtor (the "***Reorganized Debtor***" and, together with its affiliated former debtors, their successors, and non-debtor subsidiaries, as applicable, the "***Reorganized Debtors***" or "***Incora***") files this reply (this "***Reply***") in support of the *Reorganized Debtor's Objection to Administrative Expense Applications filed by Gulfstream Aerospace Corporation* [Dkt. No. 2978] (the "***Objection***") and in connection with *Gulfstream Aerospace Corporation's Response in Opposition to the Reorganized Debtor's Objection to Administrative Expense Applications filed by Gulfstream Aerospace Corporation* [Dkt. No. 2992] (the "***Response***"), and respectfully states as follows.[2]

PRELIMINARY STATEMENT

1. For many years, Incora managed Gulfstream's hardware needs at several locations throughout North America. Among other things, it tracked and monitored Gulfstream's part needs, negotiated prices and ordered parts from suppliers, stored parts, tracked inventory needs, and coordinated part certifications. *See Declaration of Kevin Matthies in Support of Reorganized Debtor's Objection to Administrative Expense Applications filed by Gulfstream Aerospace Corporation* [Dkt. No. 2978-1] (the "***Matthies Declaration***") ¶ 8. When Incora filed for chapter 11 protection, it pursued re-negotiations on its long-term contracts with nearly all of its customers; it was successful in those negotiations with *all* but Gulfstream. *Id.* ¶ 9.

2. Gulfstream instead contested Incora's motion to reject the Gulfstream Contract. After the ensuing weeks of meticulous negotiations over that contract rejection, the parties reached a settlement, which was embodied in the Transition Agreement and TSA. *See* Response ¶¶ 7-8. Those Court-approved agreements obligated Incora to move inventory, purchase orders, and personnel to Gulfstream and to perform certain services during the transition, Matthies Declaration ¶ 9, but otherwise provided that Incora would stop providing the services it had previously provided to Gulfstream. Said otherwise: Gulfstream took responsibility for the logistical work Incora had previously done for Gulfstream.

[2] Capitalized terms not otherwise defined herein have the meanings ascribed to them in the Objection.

3. Gulfstream's inflated Administrative Expenses and Response make one thing clear: Gulfstream is encountering difficulties in taking over that logistical work. Indeed, the tracking and categorization of inventory and coordination of part certifications can be a logistical headache, particularly without a logistics specialist. *See* Matthies Declaration ¶ 22. But those logistical challenges are exactly what Gulfstream signed up for when it declined to negotiate a new long-term services agreement with Incora, and are no reason for Gulfstream to now receive more payments or services from Incora that it did not bargain for nor is it entitled to receive under the Transition Agreement.

4. By its Administrative Expense Applications and as clarified in its Response, Gulfstream asserts that it is entitled to approximately $9.8 million in addition to the Reorganized Debtor's added performance of further services under the Transition Agreement. It is not. That amount results from Gulfstream incorrectly categorizing inventory that is already in its possession, mistracking "non-assigned open purchase orders," and misconstruing Incora's limited obligations concerning part certifications.

5. Incora agrees that, based on its calculations to date, Gulfstream may be owed approximately $1.175 million on account of under-delivery of certain inventory as described herein and $768,360.19 on account of Gulfstream's overpayments of certain invoices related to non-assigned open purchase orders. But even those amounts, if confirmed as owing, necessarily remain subject to recoupment or offset by outstanding obligations that Gulfstream owes to Incora, including tariff costs incurred by Incora on account of purchase orders for Gulfstream's parts.

REPLY

I. GULFSTREAM HAS FAILED TO MEET ITS EVIDENTIARY BURDEN.

6. The Reorganized Debtor does not dispute that any amounts it owes under the Transition Agreement are entitled to administrative expense status, subject of course to offsetting and recoupment. Having made its Administrative Expense Application, Gulfstream bears the burden of proving what amounts (if any) are actually owed by Incora. *See In re Express One Int'l,*

Inc., 217 B.R. 207, 210 (Bankr. N.D. Tex. 1998); *see also In re Taco Bueno Rests., Inc.*, 606 B.R. 289, 302 (Bankr. S.D. Tex. 2019).

7. Gulfstream has not met that evidentiary burden. As explained in the Matthies Declaration and in the *Supplemental Declaration of Kevin Matthies in Support of the Reorganized Debtor's Reply in Support of Objection to Administrative Expense Applications filed by Gulfstream Aerospace Corporation* (the "***Supplemental Matthies Declaration***") (attached hereto as **Exhibit A**) and as detailed below with respect to each category of alleged expenses, Gulfstream's claimed Administrative Expenses reflect Gulfstream's fundamental misconstruing of the terms of the Transition Agreement and its failures to correctly track and categorize inventory it has in its possession.

8. Moreover, the little evidence Gulfstream *has* offered does not support the claimed expenses. For example, Exhibit C to the *Declaration of Nicholas Scott in Support of Gulfstream Aerospace Corporation's Response in Opposition to the Reorganized Debtor's Objection to Administrative Expense Application* [Dkt. No. 2992-1] (the "***Scott Declaration***") purportedly lists parts that either "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." Response ¶ 26; Scott Declaration ¶ 10. First, Gulfstream plainly cannot have any administrative claim for parts that it admits it received from Incora and did so "with certifications," which mistake infects its entire claim. Second, Gulfstream offers no explanation of "other" circumstances in which a delivery may not be "in conformance with Incora's obligations." Such a generalized response devoid of specifics cannot sustain Gulfstream's claims. And third, despite Gulfstream bearing the burden of proof, Exhibit C's list does not differentiate between parts Gulfstream believes were "not included in shipments," those that were "delivered with certifications," or those "otherwise not in conformance." In summary, Gulfstream has failed to raise a credible basis for its entitlement to expenses.

II. GULFSTREAM'S REQUEST UNDER SECTION 5 IS MISCALCULATED.

9. The crux of the disagreement between Gulfstream and Incora under Section 5 of the Transition Agreement is the proper categorization of inventory that, at the time the parties were drafting and negotiating Schedule 1 to the Transition Agreement, happened to be in transit from Incora's Northlake facility to Incora's forward stocking location known as the Savannah Warehouse (the "***Transit Inventory***"). Such movement is not surprising; Incora commonly moved inventory to the Savannah Warehouse during the term of the Contract in an effort to reduce shipping times and costs and to improve service levels. *See* Supplemental Matthies Declaration ¶ 8. Gulfstream argues that the Transit Inventory falls under Section 5(b)(ii) of the Transition Agreement as inventory at the Savannah Warehouse and thus argues that this inventory has already been paid for in full by Gulfstream pursuant to Section 5(b)(ii). This is unsupportable on the record. Indeed, the plain language of the Transition Agreement—language the parties jointly and meticulously crafted—is clear that the Transit Inventory falls under Section 5(b)(i) of the Transition Agreement and thus must be included in Gulfstream's reconciliation of the purchase price as to inventory ***not*** stored at the Savannah Warehouse.

10. As conceded by the parties in the Objection and in the Response, the sale of Incora-owned inventory to Gulfstream is governed by Section 5 of the Transition Agreement, which explicitly differentiates between inventory "listed [on Schedule 1] as being stored at the" Savannah Warehouse and inventory "not listed as being stored at the" Savannah Warehouse. *See* Transition Agreement §§ 5(b)(i), 5(b)(ii). As to inventory listed on Schedule 1 as stored at the Savannah Warehouse (defined in the Transition Agreement as the "***FSL Inventory***"), there is no question that the parties performed the agreed-upon sample inventory check and that the check was well below the 7% threshold provided in Section 5(b)(ii). *See* Response ¶¶ 9(a), 17; Matthies Declaration ¶ 10; Supplemental Matthies Declaration ¶ 10. As such, Gulfstream accepted all of the FSL Inventory in full satisfaction of Incora's obligations under Section (5)(b)(ii). Gulfstream does not contest this.

11. As to inventory ***not*** listed on Schedule 1 as being stored at the Savannah Warehouse (the "***Non-FSL Inventory***"),[3] the parties agreed that the Transition Agreement's stated purchase price would be subject to adjustment based on ongoing reconciliation. Transition Agreement § 5(b)(i). Again, Gulfstream does not contest this.

12. What Gulfstream apparently fails to appreciate (notwithstanding the explanation at paragraph 7 of the Objection and in the accompanying Matthies Declaration) is the simple fact that the Transit Inventory was not listed on Schedule 1 as being stored at the Savannah Warehouse. And that is unsurprising because it was *not* stored at the Savannah Warehouse. It was stored in Incora's Northlake facility and was appropriately listed on Schedule 1 as inventory of that location. The fact that it was in transit at the time the parties were negotiating Schedule 1 and was later physically sitting on wrapped pallets on a loading dock at the Savannah Warehouse does not change its categorization under the Transition Agreement based on the plain language of Section 5(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…") and Section 5(b)(ii) ("[T]he Parties shall jointly perform a sample inventory check of the Incora Inventory ***listed on Schedule 1 as being located at the FSL***…"). The inquiry ends there; the Transit Inventory falls into Section 5(b)(i)'s purchase price reconciliation and Gulfstream has not paid for it.

13. Gulfstream, either misunderstanding these facts or attempting to obfuscate them, offers various confused arguments. ***First***, Gulfstream argues that Incora is not entitled to a post-closing reconciliation of FSL Inventory. Response ¶ 17. Incora agrees; but that does not support any Gulfstream claim because the FSL Inventory is not subject to reconciliation, given that the inventory check was well below the 7% threshold. Indeed, Gulfstream correctly points out the "sharp contrast" between the lack of a post-closing reconciliation of FSL Inventory and the parties' express agreement to reconcile Non-FSL Inventory. *Id.* ¶ 18. ***Second***, Gulfstream argues that

[3] The Non-FSL Inventory includes inventory listed as stored in Incora facilities in Mexicali, Tulsa, and Northlake.

Incora is "bound by the Agreement it signed." *Id.* ¶ 20. Incora agrees; indeed, both parties are bound by the terms of the Transition Agreement, including the categorizations therein of FSL Inventory and Non-FSL Inventory. This, again, does not support any Gulfstream claim. ***Third***, Gulfstream argues that Incora is not entitled to any "credits." *Id.* ¶¶ 19-21. Incora agrees; Incora is not seeking a "credit," but only the *contractually-agreed* reconciliation of Non-FSL Inventory.

14. Simply put, Gulfstream cannot count as "Savannah" parts those parts that were listed in Schedule 1 as "Northlake" parts. It must properly categorize these parts in calculating amounts owed between the parties under Section 5. That proper categorization and calculation make clear that Gulfstream's requested Administrative Expenses under Section 5 are overstated.

III. GULFSTREAM'S REQUEST UNDER SECTION 6 IS UNSUPPORTED AND MISGUIDED.

15. Beyond the inventory sale, the Transition Agreement addressed parts subject to open purchase orders, which Incora had ordered from suppliers for Gulfstream's benefit but had not yet arrived in Incora's stock. There is no dispute Gulfstream agreed to accept all such open purchase orders that Incora had placed as of February 6, 2024. *See* Transition Agreement § 6(a). Certain of those open purchase orders were assumed by Incora and assigned to Gulfstream. But certain open purchase orders were not assigned, as certain suppliers wished to opt out of the assignment of their open purchase orders to Gulfstream.

16. Pursuant to Section 6 of the Transition Agreement and Section 3.2 of the TSA, Incora's role as to non-assigned open purchase orders is simply that of a conduit. Where a supplier modifies or cancels one of these purchase orders, Incora may either replace it (subject to specific terms) or refund the margin (the "***Margin Refund***") within 15 business days of the date on which the refund amount is agreed between the parties. Transition Agreement § 6(d).

17. Gulfstream's claimed expenses arising under Section 6 of the Transition Agreement remain vague and unstated with any reasonable specificity. To the extent Gulfstream contends that certain non-assigned open purchase orders have been canceled or modified (but not yet replaced or refunded at the Margin Refund by Incora), Incora again invites Gulfstream to provide it with a

list of such non-assigned open purchase orders for Incora's consideration to support any of Gulfstream's claims. As set forth in the Supplemental Matthies Declaration and the Matthies Declaration, Incora asserts that it has issued Margin Refunds for all such orders that have been canceled and is unaware of any such orders being modified. *See* Supplemental Matthies Declaration ¶ 11; Matthies Declaration ¶ 20. To the extent Gulfstream believes goods are missing from non-assigned open purchase orders if and to the extent any such orders have been canceled or modified, Incora again invites Gulfstream to provide it with a list specifying as much. Exhibit C to the Scott Declaration *does not* so specify; it contains no information linking the parts listed therein to particular non-assigned open purchase orders, and it contains no indication as to which parts listed therein were not delivered at all as opposed to those that were "delivered with certifications" or those "otherwise not in conformance with Incora's obligations" or those with ambiguous "other miscellaneous" issues that are not described by Gulfstream. *See supra* ¶ 8; Response ¶ 26; Scott Declaration ¶ 10. Subject to recoupment or offsetting, Incora is prepared to honor the requirements of Section 6(d) to the extent Gulfstream provides information necessitating replacement or Margin Refund.

18. Incora does not, however, bear any responsibility for collecting nor ensuring the delivery of part certifications for non-assigned open purchase orders.[4] To begin with, this is not required under the Transition Agreement. Importantly, Incora also does not have the ability to do so. In accordance with the precise, carefully negotiated language of the Transition Agreement and the TSA, Incora acts as a mere pass-through as to non-assigned open purchase orders: where a supplier agrees, Gulfstream may receive such deliveries at a facility of its choice; otherwise, Incora

[4] As stated in the Objection, under a separate provision of the Transition Agreement Incora did bear responsibility for providing Gulfstream "with part certifications for parts delivered under the Contract or [the] Transition Agreement within sixty (60) days of the Effective Date." *See* Transition Agreement § 9. While its Administrative Expense Application did not refer to Section 9, Gulfstream does now argue that Section 9 requires Incora to provide part certifications for *all* parts delivered under the Agreement. But Gulfstream's citation to Section 9 makes convenient use of ellipses to omit that Section 9's delivery of certifications had to be completed within 60 days of the Effective Date. *See* Response ¶ 9(d). Section 9 refers only to parts that were delivered directly from Incora's inventory under Section 5; indeed, the 60-day timeline is nonsensical for parts that are delivered by suppliers under separate purchase orders (which may be satisfied months or years after the Effective Date).

receives the deliveries, at which time it (i) confirms and cross-references the shipment; (ii) leaves the packaging as-is and expressly does not open it; (iii) cross-dock transfers the shipment; (iv) advises Gulfstream that the shipment is available to pick up or ship at Gulfstream's sole expense; and (v) provides Gulfstream with details to enable it to issue a purchase order. TSA § 3.2; *see also* Transition Agreement § 6(e). In accordance with the Transition Agreement and the TSA, Incora does not, for example, open shipments to confirm presence of certifications. And as Gulfstream is aware, aviation *manufacturers* prepare and deliver certifications along with parts to which they relate in the packaging that Incora has contracted not to open. *See* Supplemental Matthies Declaration ¶ 12; Response ¶ 28 ("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.").

19. Incora understands the importance of part certifications, and objects to Gulfstream's baseless accusation that Incora is "withholding" such certifications. Indeed in instances in which Gulfstream has sought assistance from Incora related to specific part certifications, Incora personnel have attempted to assist at no additional charge to Gulfstream. *See* Supplemental Matthies Declaration ¶ 12. But simply put, Incora has no contractual obligation to Gulfstream to provide certifications for parts in non-assigned open purchase orders.

IV. ANY AMOUNTS OWING TO GULFSTREAM, INCLUDING REIMBURSEMENT FOR OVERPAYMENTS, MUST BE RECOUPED OR OFFSET BY AMOUNTS OWING BY GULFSTREAM.

20. Gulfstream erroneously states—twice—that Incora's Objection "ignored" Gulfstream's claim for double-paid invoices. *See* Response ¶¶ 13, 25. That is not true. Incora's Objection stated: "The Administrative Expense Applications also seek amounts in connection with Gulfstream's overpayments of certain invoices related to non-assigned open purchase orders. Incora is prepared to accept Gulfstream's $768,360.19 calculation of such overpayments in connection with resolving the Administrative Expense Applications, subject to offsetting for amounts Gulfstream owes on account of Incora's payment of tariffs as discussed herein." Objection ¶ 12 n.5.

21. Incora reiterates that position now. To the extent any Administrative Expenses are allowed, they should be recouped or offset by amounts owed to Incora by Gulfstream under the Transition Agreement and the TSA. For the reasons described in the Objection, these amounts include the tariff fees that suppliers have passed on to Incora on non-assigned open purchase orders.

22. The Transition Agreement and the TSA unmistakably limit Incora's obligations concerning non-assigned open purchase orders. This makes good sense when considering the Transition Agreement as a whole; indeed, the overall purpose of the Transition Agreement was for Gulfstream to take on the obligations for which Incora had previously been responsible. This is why Incora has ***no*** obligations as to assigned open purchase orders. However, in an effort to ease the transition, and recognizing that certain suppliers did not want to have a contractual relationship with Gulfstream by having their open purchase orders assigned to Gulfstream, Incora agreed to function as a mere pass-through between such suppliers and Gulfstream. As such, Incora's ***only*** obligations as to non-assigned open purchase orders are those specifically listed in the documents. *See, e.g.*, Transition Agreement §§ 6(c), 6(e); TSA §§ 3.2, 3.3; *see also* Objection ¶¶ 28-29. All other obligations necessarily must be borne by Gulfstream.

23. Gulfstream tries to flip this contractual structure on its head, arguing that because Schedule 2 includes a column titled "Total Price" for each item of inventory therein, Gulfstream owes no additional amounts related to non-assigned open purchase orders. Not so. Indeed, Gulfstream admits as much—the Transition Agreement and TSA explicitly contemplate other costs, outside of per-item price, which would be borne by Gulfstream, including pickup and delivery costs. Response ¶ 36; Transition Agreement § 6(e). Tariff costs are simply another cost that is Gulfstream's obligation.[5]

[5] Indeed, Gulfstream is correct that the TSA requires Gulfstream to "pay for Non-Assigned Purchase Orders in accordance with the [Transition Agreement]," Response ¶ 38; TSA § 3.2. Neither the TSA nor the Transition Agreement limits payment to the per-part prices listed in Schedule 2.

24. Incora does not know why Gulfstream is, as it claims, not paying tariff costs associated with open purchase orders that were assigned directly to Gulfstream, *see* Response ¶ 35, but that is a red herring. Perhaps such purchase orders are with domestic providers, or perhaps Gulfstream is rejecting invoices for tariff costs. But it simply has no bearing on the fact that Incora *has* been invoiced for tariff costs related to certain non-assigned open purchase orders and *has* incurred tariffs of at least $876,286.20 to date on such parts, which parts Gulfstream now has received. *See* Supplemental Matthies Declaration ¶ 13.

RESERVATION OF RIGHTS

25. The Reorganized Debtor expressly reserves, and does not waive, any right to amend, modify, or supplement the Objection or this Reply, to present a full evidentiary record, and to further object to the Administrative Expense Applications on any grounds.

CONCLUSION

For the foregoing reasons, the Reorganized Debtor respectfully requests that the Court (a) sustain the Objection, and (b) enter an order disallowing the Administrative Expense Applications.

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Dated: February 20, 2026

Respectfully submitted,

/s/ Patrick L. Hughes

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CERTIFICATE OF SERVICE

I certify that, on February 20, 2026, a true and correct copy of the foregoing document was served through the Electronic Case Filing system of the United States Bankruptcy Court for the Southern District of Texas and will be served as set forth in the Affidavit of Service to be filed by the Reorganized Debtors' noticing agent.

/s/ Patrick L. Hughes

Patrick L. Hughes

EXHIBIT A

MATTHIES DECLARATION

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

In re **WESCO AIRCRAFT HOLDINGS, INC.**[1] Reorganized Debtor.	Case No. 23-90611 (MI) Chapter 11 (Jointly Administered)

SUPPLEMENTAL DECLARATION OF KEVIN MATTHIES IN SUPPORT OF REORGANIZED DEBTOR'S REPLY IN SUPPORT OF OBJECTION TO ADMINISTRATIVE EXPENSE APPLICATIONS FILED BY GULFSTREAM AEROSPACE CORPORATION

[1] The captioned Reorganized Debtor is Incora Intermediate II LLC, the successor by merger to Wesco Aircraft Holdings, Inc. Its employer identification number is 33-2921953. Its principal office address and service address in this case is 2601 Meacham Blvd., Ste. 400, Fort Worth, TX 76137.

I, Kevin Matthies, declare under penalty of perjury as follows:

1. I am the President of Global Hardware at Incora.

2. I submit this supplemental declaration (this "***Supplemental Declaration***") in support of the Reorganized Debtor's *Reply in Support of Objection to Administrative Expense Applications Filed by Gulfstream Aerospace Corporation* (the "***Reply***").[2]

3. Except as otherwise indicated, all statements in this Supplemental Declaration are based on (a) my personal knowledge of the Reorganized Debtors' contracts and contract renegotiations, (b) my review of relevant documents, (c) information provided to me by the Reorganized Debtors' employees working with me or under my supervision, (d) information provided to me by, or discussions with, the members of the Reorganized Debtors' management team or their other advisors, and/or (e) my opinion based upon my experience as a defense and aerospace industry professional. If called upon to testify, I could and would testify the statements set forth herein are true and correct. I am over the age of 18 years and authorized to submit this Supplemental Declaration.

BACKGROUND & QUALIFICATIONS

4. I have worked in the defense and aerospace industry for 36 years. My focus is and has been on program direction, factory operations, engineering, and customer relations.

5. I have been President of Global Hardware at Incora since October 2023. In this role, I lead Incora's hardware organization across multiple industries, including aerospace, defense, heavy machinery, and industrial. I lead the vision, strategy, and end-to-end execution teams whose responsibilities span from business development through on-site value delivery. I have developed relationships with Incora's largest customers and suppliers.

6. Previously, from August 2023 to October 2023, I served as the Executive Vice President of Global Hardware. Before joining Incora, I spent 9 years at Spirit AeroSystems, where

[2] Capitalized terms used but not defined herein have the meanings ascribed to them in the Reply.

I served in multiple roles including Chief Engineering Technology Officer and Chief Quality Officer, Senior Vice President of Global Fabrication, Vice President and General Manager of the 787 Programs, Vice President of the Airbus Programs, and Senior Vice President and General Manager of the Boeing Programs. Before my time at Spirit AeroSystems, I worked at Raytheon Technologies for 26 years, where I served as President of the Javelin Joint Venture between Raytheon Technologies and General Dynamics. Before Raytheon, I worked in executive positions at Hughes Aircraft Company and General Dynamics.

7. I received a Master of Science degree from the University of Arizona and a Bachelor of Science degree from California State University, San Bernardino.

INCORA INVENTORY SALE

8. Incora's Savannah Warehouse is a forward stocking location ("***FSL***"). In general, an FSL stores fast-moving, critical, or high-demand inventory. During the term of the Gulfstream Contract, Incora commonly moved inventory to the Savannah Warehouse in an effort to reduce shipping time, reduce costs, and to improve service levels.

9. At the time Incora and Gulfstream were negotiating the language of the Transition Agreement, certain inventory was in transit from Incora's Northlake facility to the Savannah Warehouse. This inventory was listed on Schedule 1 to the Transition Agreement as Northlake inventory. Accordingly, it was not moved from the Savannah Warehouse's loading dock into the Savannah Warehouse, nor was it booked as "Savannah" inventory in Incora's inventory system.

10. In February of 2024, Incora and Gulfstream performed the sample inventory check of inventory listed on Schedule 1 as stored at the Savannah Warehouse, as required under Section 5(b)(ii) of the Transition Agreement. The Savannah Warehouse's loading dock was excluded from the sample inventory check. The sample inventory check was below the 7% threshold provided in Section 5(b)(ii).

NON-ASSIGNED OPEN PURCHASE ORDERS

11. Under the Transition Agreement, where a non-assigned open purchase order supplier modifies or cancels such an order, Incora may either replace the non-assigned open purchase order subject to specific terms or refund the margin at the rate set forth in Schedule 2 (the "***Margin Refund***"). Incora believes it has issued Margin Refunds for all such orders that have been canceled. Incora is unaware of any modifications to non-assigned open purchase orders. Incora remains prepared to honor the requirements of Section 6(d) of the Transition Agreement, subject to reconciliation of amounts due to Incora by Gulfstream.

12. Part certifications are typically provided by aviation suppliers or manufacturers, in the same boxes in which parts are shipped. Under the process contemplated by Section 6 of the Transition Agreement and by the TSA, Incora has no role in inspecting part certifications because Incora has been instructed to not open the suppliers' shipments or boxes; some shipments are made directly to delivery points designated by Gulfstream, while others are held, unopened, at Incora's loading dock at Northlake for Gulfstream to collect. Incora is not withholding any part certifications related to non-assigned open purchase orders from Gulfstream. In instances in which Gulfstream has sought assistance from Incora related to specific part certifications, Incora personnel have attempted to assist at no additional charge to Gulfstream.

TARIFFS

13. Incora has paid numerous tariffs that suppliers have passed through to Incora on account of non-assigned open purchase orders. Incora has issued invoices for reimbursement of certain of these tariff payments to Gulfstream, consistent with Incora's role as a mere pass-through. Gulfstream has acknowledged receipt of these invoices via email but has refused to pay Incora. Incora has incurred at least $876,286.20 in tariff charges to date related to the Transition Agreement. Gulfstream has received all parts subject to those tariff charges.

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 20, 2026

/s/ Kevin Matthies

Kevin Matthies
President, Global Hardware
Incora