

FYI - The following letter and request were submitted this morning (April 20, 2020)

US Department of Treasury
Secretary Steve Mnuchin
1500 Pennsylvania Ave., N.W.
Washington, D.C. 20220

RE: Emergency Financial Assistance for Airlines

Dear Secretary Mnuchin:

If you haven't already heard of Avatar Airlines, I would like to introduce you to our company and where we are in our evolution. Further, I would like to explain why this airline, in our opinion, is critical to the future of the aviation/transportation industry.

Avatar is a start-up business with a unique approach to the industry offering everyday low-fare flights as our primary strategic approach to the aviation sector. We have made significant progress for a company that, to date, has not had any significant capital infusion. Our team of executives and management have led us to the point of producing a comprehensive Private Placement Memorandum (PPM) for qualified investors and subsequent submission of our application to the DOT/FAA for full certification.

With the out-break of COVID-19, and despite the efforts of the Stimulus package, there will, unfortunately, be casualties in an industry currently characterized both by high debt and high breakeven load factors. As the coronavirus essentially shuts down one carrier after another, Avatar continues to move forward as it is not and will not be impacted by COVID 19 given our current plans to be fully operational by mid-2021.

As a start-up, we have no flights, no overhead, administrative expense, or fixed costs at the present time, and when we are fully operational anticipate adding 2000-3000 full-time employees. Our plan is to work our way through the five phase DOT/FAA certification process that normally takes approximately 12 months to complete. We are presently in Phase 1 with the initial in-brief

meeting with the DOT/FAA tentatively scheduled for the end of May of this year.

As reflected in the PPM, Avatar is clearly poised to present a paradigm shift to the aviation industry when it commences operations next year. Thus, we have arrived at a stage today where the timing for a significant capital infusion could not be more opportune and we invite you to review the PPM, which can be found at <https://avatarairlines.com/investor-information/>, to determine for yourself that Avatar Airlines will be the new standard by which others will be measured.

Please see our enclosed application to be included in the Class of Passenger Airlines within the United States entitled to Emergency Financial Assistance in the form of Grants or Loans.

Best,

Michael E. Zapin

EVP and Chief Legal Officer

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Avatar Airlines, Inc.

www.avatarairlines.com

To:

- President Donald J. Trump
- Governor of Florida – Ron Desantis
- United States House of Representatives
 - (a) Nancy Pelosi
 - (b) Kevin McCarthy
 - (c) Peter DeFazio
 - (d) Sam Graves
- United States Senate
 - (a) Mitch McConnell
 - (b) Chuck Schumer
 - (c) Roger Wicker
 - (d) Maria Cantwell
 - (e) Marco Rubio
 - (f) Rick Scott

In the matter of:

AVATAR AIRLINES REQUEST
TO BE INCLUDED IN CLASS OF PASSENGER
AIRLINES WITHIN THE UNITED STATES ENTITLED
TO EMERGENCY FINANCIAL ASSISTANCE IN THE
FORM OF PAYROLL GRANTS OR LOANS

Avatar Airlines ("Avatar "or "Company") submits the within request for inclusion in the class of domestic passenger airlines entitled to receive the above emergency financial assistance resulting from the negative impact of the corona virus outbreak, and respectfully sets forth the following:

I. SUBSTANTIAL PUBLIC INTEREST AT RISK

1. Although the current pandemic plaguing the world doesn't discriminate in its infliction, it has made one thing obvious: our nation's working class is more exposed and underprepared for the vagaries of reactionary market forces.
2. *The corona virus itself* - as serious and fatal as it is proving to be to some - will eventually subside, with the majority of those afflicted in a state of recovery. But the growing existential crisis to the majority of our nation's work force is going to take more than the metrics of a \$1200 check and an unemployment insurance extension to cure, if we are to avoid the distinct possibility of a second wave of economic calamity.
3. Avatar has the potential and capability to pioneer a *reversal* of the trend of taking advantage of the flying public so characteristic of existing "low-cost" air carriers. Acutely aware that the working class - *and the small businesses that it has built* - is the virtual lifeblood of the American economy, Avatar's vision is the creation of a supersized *ultra-affordable, and safe* airline.

4. Both local, regional and national economies stand to substantially gain from the thousands of jobs Avatar will create as well as the additional jobs it will spur in the secondary hospitality and service fields that either feed off of or are entirely dependent on the aviation industry.

II. AVATAR'S OWN CRISIS

5. Avatar's team is comprised of a group of 25 highly competent, seasoned aviation and business professionals. As such, we are not immune to the current ravaging of the nation's economy in both our primary and secondary fields of employment.

6. A critical component to compensate Avatar's existing executives and those executives required by the Company to become flight-operational, was dependent on funds to be received out of Avatar's SEC Reg D 506(c) \$300 mm offering. However, the presence of the corona virus and its crippling effect on the stock market and the nations economy as well as the fiscal and psychological state of its prospective investors, has left Avatar in an uncapped state, with no clear path to compensating its employees during its most critical phase of development.

7. For this reason, Avatar is seeking government funds of \$ 15 mm in the form of grants or loans to compensate its employees to insure that Avatar will meet its ongoing responsibilities to the regulatory agencies that govern certification.

III. BACKGROUND

8. Avatar Airlines, Inc. is a Nevada corporation with principal offices located at 20283 State Rd 7, Suite 400, Boca Raton, FL 33498.

9. Avatar filed its application for a Certificate of Public Convenience and Necessity with the U.S. Department of Transportation ("DOT") on or about November 19, 2019, and concurrently filed for a 121

Operating Certificate with the Federal Aviation Administration
("FAA").

10. Depending on Avatar's ability to raise sufficient capital to support DOT approval and depending on the economic and operational impact of the corona virus, Avatar is projecting it will be flight-certified in the 2nd or 3rd quarter of 2021.

DATED: April 13, 2020

Respectfully submitted,

AVATAR AIRLINES, INC.

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