UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT
PURSUANT TO SECTION 13 OR 15(D)
OF THE SECURITIES EXCHANGE ACT OF 1934

Date of Report (Date of earliest event reported): December 1, 2023

VOLATO GROUP, INC.
(Exact name of registrant as specified in its charter)

Delaware	**001-41104**	**86-2707040**
(State or other jurisdiction of incorporation)	(Commission File Number)	(IRS Employer Identification No.)

1954 Airport Road, Suite 124
Chamblee, GA 30341
(Address of principal executive offices) (zip code)

844-399-8998
Registrant's telephone number, including area code

PROOF Acquisition Corp I
11911 Freedom Drive,
Suite 1080
Reston, VA 20190
(former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Class A Common Stock	**SOAR**	**NYSE American LLC**
Warrants, each whole warrant exercisable for one share of Class A common stock at an exercise price of $11.50	**SOAR.WS**	**NYSE American LLC**

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company ☒

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

INTRODUCTORY NOTE

Closing of the Business Combination

On December 1, 2023, Volato, Inc., a Georgia corporation ("Volato"), PROOF Acquisition Corp I, a Delaware corporation ("PACI") and PACI Merger Sub, Inc., a Delaware corporation and a direct, wholly-owned subsidiary of PACI ("Merger Sub"), consummated the previously announced Business Combination Agreement, dated August 1, 2023 (the "Business Combination Agreement"). Pursuant to the terms of the Business Combination Agreement, a business combination between PACI and Volato was effected through the merger of Merger Sub with and into Volato, with Volato surviving the merger as a wholly-owned subsidiary of PACI (the "Business Combination," and together with the other transactions contemplated by the Business Combination Agreement and the other agreements contemplated thereby, the "Transactions"). In connection with the consummation of the Business Combination (the "Closing"), PACI changed its name to "Volato Group, Inc." ("Volato Group").

In connection with the Closing, and pursuant to the terms of the Business Combination Agreement: (i) each share of common stock of Volato ("Volato Common Stock") issued and outstanding immediately prior to the Closing was converted into the right to receive 1.01508 shares of common stock of Volato Group ("Common Stock"), (ii) each share of preferred stock of Volato ("Volato Preferred Stock") issued and outstanding immediately prior to the Closing was converted into the right to receive 1.01508 shares of Common Stock, (iii) each share of common stock of Merger Sub issued and outstanding immediately prior to the Closing was converted into Volato Common Stock, (iv) each share of Volato Common Stock and Volato Preferred Stock held in the treasury of Volato immediately prior to the Closing was cancelled and no payment or distribution was made in respect thereof, (v) each outstanding unexercised option to purchase shares of Volato Common Stock was converted into an option to acquire shares of Common Stock ("Options"), (vi) each share of Class A common stock of PACI ("PACI Class A Common Stock") issued and outstanding immediately prior to the Closing and not redeemed in connection with the Redemption (as defined below) remained outstanding and is now a share of Common Stock and (vii) each share of Class B common stock of PACI ("PACI Class B Common Stock") issued and outstanding immediately prior to the Closing remained outstanding and is now a share of Common Stock.

Immediately prior to the Closing, Volato closed an additional financing through the sale of 1,035,387 shares of its Series A-1 Preferred Stock, raising an aggregate of $10,353,870 (the "Series A-1 Financing") which, at the Closing converted into Common Stock, as described above.

A description of the Business Combination Agreement is included in the proxy statement/prospectus statement as filed by PACI with the Securities and Exchange Commission ("SEC") on November 13, 2023, pursuant to and in accordance with Rule 424(b) under the Securities Act of 1933, as amended (the "Securities Act") (the "Proxy Statement"), in the section titled "BCA Proposal - The Business Combination Agreement" beginning on page 68. The foregoing description of the Business Combination Agreement is a summary only and is qualified in its entirety by the full text of the Business Combination Agreement, which is filed as Exhibit 2.1 hereto and is incorporated herein by reference.

Redemption, Ownership and Trading

Following redemption reversals, holders of an aggregate of 4,675,708 shares of PACI Class A Common Stock properly exercised their right to have their shares redeemed for a full pro rata portion of the trust account into which the proceeds of PACI's December 3, 2021 initial public offering were deposited (the "Trust Account"), calculated on the Closing Date, which was $10.83 per share, net of taxes paid with respect to interest (the "Redemption"). $50,615,486 in the aggregate was paid in connection with the Redemption. The remaining balance of the Trust Account immediately prior to the Closing of approximately $19,081,156 was used to pay expenses of PACI on the Closing Date in connection with the Closing.

After giving effect to the Business Combination and the consummation of the Series A-1 Financing, there were 28,043,449 shares of Common Stock issued and outstanding as of the date of this Report. There were approximately 558 holders of record of such shares as of December 6, 2023.

As of the date of this Report, 2,350,960 shares of Common Stock were issuable upon the exercise of Options, 160,856 of which have an exercise price of $0.12 per share, 1,589,054 of which have an exercise price of $0.14 per share, 235,042 of which have an exercise price of $0.16 per share, 87,911 of which have an exercise price of $7.21 per share and 278,097 of which have an exercise price of $8.52 per share. All of such Options are fully vested and exercisable.

As of the date of this Report, there were 29,026,000 warrants to purchase Common Stock outstanding, consisting of 13,800,000 public warrants and 15,226,000 private warrants.

Each public warrant entitles the registered holder to purchase one share of Common Stock at a price of $11.50 per share, subject to adjustment as discussed below, at any time following the Closing. However, no public warrants will be exercisable for cash unless there is an effective and current registration statement covering the shares of Common Stock issuable upon exercise of the public warrants and a current prospectus relating to such shares of Common Stock. Notwithstanding the foregoing, if a registration statement covering the shares of Common Stock issuable upon exercise of the public warrants is not effective within 120 days from the Closing, warrant holders may, until such time as there is an effective registration statement and during any period when the Volato Group shall have failed to maintain an effective registration statement, exercise public warrants on a cashless basis pursuant to an available exemption from registration under the Securities Act. The public warrants will expire five years from the Closing at 5:00 p.m., Eastern Time.

Each private warrant is exercisable for one share of Common Stock at an exercise price of $11.50 per share, and (ii) such private warrants will be exercisable for cash (even if a registration statement covering the shares of Common Stock issuable upon exercise of such warrants is not effective) or on a cashless basis, at the holder's option, and will not be redeemable by the Volato Group, in each case so long as they are still held by the Proof Acquisition Sponsor I, LLC (the "Sponsor") or its affiliates.

Except as otherwise stated in this Report, as of the date of this Report, no rights to acquire shares of Common Stock or securities convertible into shares of Common Stock were outstanding. Moreover, Volato Group does not have any outstanding preferred stock.

The Common Stock and the public warrants commenced trading on the NYSE American ("NYSE American") under the symbols "SOAR" and "SOAR.WS", respectively, on December 4, 2023.

This Report incorporates by reference certain information from reports and other documents that were previously filed with the SEC, including certain information from the Proxy Statement. To the extent there is a conflict between the information contained in this Report and the information contained in such prior reports and documents and incorporated by reference herein, you should rely on the information in this Report.

Item 1.01 Entry into a Material Definitive Agreement.

Employment Agreements

As described in the Proxy Statement, the Business Combination required the entrance into employment agreements with each of Nicholas Cooper, Steven Drucker, Matthew Liotta, Michael Prachar and Keith Rabin. Such employment agreements were signed as of Closing. Mr. Cooper's employment agreement provides for him to continue to serve as Chief Operating Officer of Volato and also of Volato Group upon the Closing of the Business Combination, at an annual base salary of $290,000. Mr. Drucker's employment agreement provides for him to continue to serve as Chief Technology Officer of Volato and also of Volato Group upon the Closing of the Business Combination, at an annual base salary of $220,000. Mr. Liotta's employment agreement provides for him to continue to serve as Chief Executive Officer of Volato and also of Volato Group upon the Closing of the Business Combination, at an annual base salary of $310,000. Mr. Prachar's employment agreement provides for him to continue to serve as Chief Operating Officer of Volato and also of Volato Group upon the Closing of the Business Combination, at an annual base salary of $235,000. Mr. Rabin's employment agreement provides for him to continue to serve as President of Volato and also of Volato Group upon the Closing of the Business Combination, at an annual base salary of $300,000. In addition, as of Closing, Volato Group entered into an employment agreement with Mark Heinen which provides for him to serve as Chief Financial Officer of Volato and also of Volato Group upon the Closing of the Business Combination, at an annual base salary of $275,000.

Aside from the above, each employment agreement that was entered into was substantially similar, as described below.

Annual Incentive Bonuses

Pursuant to the employment agreements, each executive officer will be eligible to receive an annual bonus based on performance factors established by the Board and designed to reward the executive officers for meeting or exceeding established performance objectives in a specific year.

Long-Term Equity Incentives

Pursuant to the terms of the Business Combination and following shareholder approval, Volato Group established its 2023 Stock Incentive Plan, which is anticipated to issue initial equity awards to each executive officer. Under the employment agreements, Volato will recommend these awards for issuance by Volato Group.

Benefits

The executive officers are entitled to participate in employee benefit plans of Volato and Volato Group provided for all employees of the two companies, such as a 401(k) plan, life insurance, group health insurance and disability insurance. Volato currently pays for 100% of health insurance premiums for employees and 75% for dependents. All benefit plans are subject to change at the company's discretion.

Term, Termination and Severance

Each employment agreement has a one-year term commencing upon the Closing of the Business Combination, with automatic renewal for an additional six months, unless either party provides 30 days' notice not to renew. In the event employment is terminated by Volato or Volato Group without "Cause" or by the executive officer for "Good Reason," Volato or Volato Group, as applicable, will pay the following severance payments and benefits: (i) for each executive officer, an amount equal to one (1) times the sum of such officer's then-current base salary, payable on the regular payroll dates of Volato or Volato Group, as applicable, over a period of 12 months following termination, (ii) reimbursement for the cost of COBRA premiums or other health insurance that the executive officer may elect for such officer and eligible dependents for up to 12 months. All such payments and benefits are conditioned upon the executive officer's compliance with the Covenants Agreement, and execution and non-revocation of a release of claims in the favor of Volato or Volato Group, as applicable, within 60 days following termination of employment.

For purposes of the employment agreements, the term "Cause" means the occurrence of any of the following by the executive officer, which is not cured (if capable of cure) within 10 days after receipt of written notice from Volato or Volato Group, as applicable: (i) willful or material failure to perform duties (other than a failure resulting from incapacity due to physical or mental illness); (ii) willful failure to comply with any valid and legal directive of the Board or CEO; (iii) dishonesty, illegal conduct or other misconduct, which is, in each case, materially injurious to Volato or Volato Group, as applicable, or their affiliates; (iv) embezzlement, misappropriation or fraud, whether or not related to employment; (v) conviction of or plea of guilty or nolo contendere to a crime that constitutes a felony (or state law equivalent) or a crime that constitutes a misdemeanor involving moral turpitude; (vi) material violation of the written policies or codes of conduct of Volato or Volato Group; (vii) material breach of any written agreement with Volato or Volato Group; (viii) conduct that brings or is reasonably likely to bring such companies negative publicity or into public disgrace, embarrassment or disrepute; or (ix) the knowing misstatement of the financial records of Volato or Volato Group or complicit actions in respect thereof, or knowing failure to disclose material financial or other information to the Board.

In addition, the term "Good Reason" means, without the executive officer's consent, the occurrence of any of the following, which is not cured by Volato or Volato Group, as applicable, within 30 days after its receipt of written notice provided within 15 days of the existence of any such event: (i) a material reduction in base salary (other than a reduction that affects all similarly situated executives in substantially the same proportions); (ii) a material and adverse breach by Volato or Volato Group, as applicable, of any material provision of the employment agreement; (iii) a material and adverse change in title, authority, duties, reporting relationships or responsibilities (other than temporarily while the executive officer is physically or mentally incapacitated). If employment is not terminated for Good Reason within sixty (60) days after the first occurrence of the applicable grounds, then the executive officer will be deemed to have waived the right to terminate for Good Reason with respect to such grounds.

If the executive officer's employment is terminated due to "Disability," Volato or Volato Group, as applicable, will pay, in addition to any other accrued or vested payments or benefits, (i) a severance payment equal to 1 times the sum of such officer's then-current base salary, payable on the regular payroll dates of Volato or Volato Group, as applicable, over a period of 12 months beginning with the first regular payroll payment date that occurs on or after sixty (60) days following termination. Under the employment agreements, the term "Disability" means the inability to perform the essential duties of the position, with or without any reasonable accommodations, because of mental or physical illness, injury, impairment or incapacity for a period in excess of ninety (90) consecutive days in any calendar year.

The foregoing description of the employment agreements is a summary only and is qualified in its entirety by the full text of the Employment Agreement with Mr. Cooper, Mr. Drucker, Mr. Heinen, Mr. Liotta, Mr. Prachar and Mr. Rabin, which are filed as Exhibits 10.3, 10.4 10.5, 10.6, 10.7 and 10.8, respectively, hereto and incorporated herein by reference.

Amended and Restated Registration Rights Agreement

As of Closing, PACI, entered into the Amended and Restated Registration Rights Agreement (the "Registration Rights Agreement"). Pursuant to the Registration Rights Agreement, Volato (as successor to PACI) agreed to use commercially reasonable efforts to file a registration statement under the Securities Act of 1933, as amended (the "Securities Act") to permit the resale of shares of Common Stock held by the other parties to the Registration Rights Agreement, including shares of Common Stock issued as "Founder Shares" in connection with PACI's initial public offering, within 45 days of the Closing Date and to use commercially reasonable efforts to cause such registration statement to be declared effective as soon as practicable after the filing thereof. The Registration Rights Agreement became effective on the Closing Date. The foregoing description of the Registration Rights Agreement is a summary only and is qualified in its entirety by the full text of the Registration Rights Agreement, which is filed as Exhibit 10.9 hereto and is incorporated herein by reference.

Lock-up Agreements

As of Closing, in connection with the Closing, Volato Group entered into lock-up agreements with certain significant stockholders of the Volato Group as well as the current and former directors and officers of Volato Group (the "Stockholder Parties" and the "Lock-up Agreements"). Under the terms of the Lock-up Agreements, the Stockholder Parties agreed, subject to certain customary exceptions, that during the period that is the earlier of (i) the date that is 180 days following the Closing and (ii) the date specified in a written waiver of the provisions of the Lock-up Agreements duly executed by Stockholder Parties and Volato Group, not to dispose of, directly or indirectly, any shares of Common Stock subject to their respective Lock-up Agreement, or take other related actions with respect to such shares. The total number of shares of Common Stock subject to the Lock-up Agreements is 11,620,713.

A description of the Lock-up Agreements is included in the Proxy Statement in the section titled "Lock-up Agreement and Arrangements " beginning on page 5. The foregoing description of the Lock-up Agreements is a summary only and is qualified in its entirety by the full text of the form of Lock-up Agreement, which is filed as Exhibit 10.10 hereto and incorporated herein by reference.

Agreement with LSH

Effective as of November 30, 2023, Volato Group entered into an amendment to the letter agreement dated July 26, 2023 (the "Original LSHP Letter Agreement") with LSH Partners Securities LLC ("LSHP") pursuant to which LSHP agreed to provide an opinion to a special committee of the Board of PACI, in connection with the Business Combination (the "Amended LSHP Letter Agreement").

Pursuant to the Amended LSHP Letter Agreement, the parties agreed to revise the Original LSHP Letter Agreement to provide that Volato Group will pay LSHP a fee through the issuance of a combination of Stock (as defined below) and warrants in the following amounts: (i) $750,000 payable upon consummation of the Business Combination in shares of Common Stock, which shall be listed on the NYSE American, and (ii) 100,000 warrants to purchase Common Stock at an exercise price of $11.50 per warrant, issued under that certain Warrant Agreement, dated November 30, 3021, between Volato Group and Continental Stock Transfer & Trust Company, as warrant agent. The number of shares of Stock owed to LSHP under (i) shall be equal to the greater of (A) 75,000 shares of Stock and (B) the quotient obtained by dividing (x) $750,000 by (y) the VWAP of the Stock over the three (3) trading days immediately preceding the date of the initial filing of the Registration Statement (as defined in the Amended LSHP Letter Agreement) registering the resale of Stock, provided that clause (y) shall not be less than $2.00.

The foregoing description of the Amended LSH Letter Agreement is a summary only and is qualified in its entirety by the full text of the Amended LSH Letter Agreement, which is filed as Exhibit 10.11 hereto and incorporated herein by reference.

Agreement with BTIG

On December 1, 2023, Volato entered into amendment to the letter agreement dated November 28, 2022 (the "Original BTIG Letter Agreement") with BTIG, LLC ("BTIG"), pursuant to which BTIG has agreed to act as a financial advisor to Volato in connection with the transaction between Volato and PACI (the "Amended BTIG Letter Agreement").

Pursuant to the Amended BTIG Letter Agreement, the Parties agreed to revise the Original BTIG Letter Agreement to provide that Volato will have the option to pay BTIG its success fee equivalent of $2,500,000 in shares of Common Stock. The number of shares of Stock to be delivered to BTIG shall be equal to the greater of (i) 250,000 shares of Common Stock and (ii) the quotient obtained by dividing (x) $2,500,000 by (y) the VWAP of the Common Stock over the three (3) trading days immediately preceding the date of the initial filing of the Registration Statement (as defined in the Amended BTIG Letter Agreement) registering the resale of Common Stock, provided that clause (y) shall not be less than $2.00.

The foregoing description of the Amended BTIG Letter Agreement is a summary only and is qualified in its entirety by the full text of the Amended BTIG Letter Agreement, which is filed as Exhibit 10.12 hereto and incorporated herein by reference.

Agreement with Roth Capital

On October 16, 2023, Volato entered into an engagement agreement (the "Roth Agreement") to engage Roth Capital Partners, LLC ("Roth Capital") as its capital markets advisor. Roth Capital is a full-service investment bank that provides strategic and financial advisory services to emerging growth companies and their investors. Volato selected Roth Capital as its capital market advisor based on its qualifications, expertise and reputation, its knowledge of, and involvement in, transactions similar to the Business Combination and its capabilities with PIPEs, Pre-PIPES and similar financings. Roth Capital was engaged for a fee of $1 million for assisting with raising up to $15 million in new capital, $1.25 million for assisting with raising between $15 to $20 million, $1.5 million for assisting with raising between $20 to $25 million, $1.75 million for assisting with raising between $25 to $30 million, and $2 million for assisting with raising more than $30 million. Volato also agreed to reimburse Roth Capital for certain customary expenses incurred in connection with such engagement, including up to $40,000 in legal fees.

On December 1, 2023, Volato entered into an amendment to the Roth Agreement (the "Amended Roth Letter Agreement") pursuant to which the parties agreed to revise the Roth Agreement to provide that Volato the option to pay Roth Capital its success fee equivalent of $1,000,000 in shares of Common Stock. The number of shares of Common Stock to be delivered to Roth Capital shall be equal to the greater of (i) 100,000 shares of Common Stock and (ii) the quotient obtained by dividing (x) $1,000,000 by (y) the VWAP of the Common Stock over the three (3) trading days immediately preceding the date of the initial filing of the Registration Statement (as defined in the Roth Agreement) registering the resale of Common Stock, provided that clause (y) shall not be less than $2.00.

The foregoing description of the Amended Roth Letter Agreement is a summary only and is qualified in its entirety by the full text of the Amended Roth Letter Agreement, which is filed as Exhibit 10.13 hereto and incorporated herein by reference.

SAC Credit Facility

On October 5, 2022, Volato entered into a Pre-Delivery Payment Agreement (the "PDP Agreement" or SAC Credit Facility) with SAC Leasing 280, LLC ("SAC") pursuant to which SAC will make certain pre-delivery or progress payments (the "Progress Payments") of to the vendor from which certain aircraft were purchased by Volato pursuant to certain purchase agreements (the "Purchase Agreements").

The payments are subject to the conditions that Volato provide to SAC letters of credit from JP Morgan Chase Bank, N.A. in the forms attached as Exhibit D to the PDP Agreement and certain other requirements and that Volato pay SAC $250,000 to be held by SAC as security for the Progress Payments under each of the purchase agreements. Volato will also pay SAC a closing fee of $607,500 as follows: (i) 303,750 will be paid by PDP Borrower (as defined in the PDP Agreement) to PDP Lender (as defined in the PDP Agreement) on the Effective Date (as defined in the PDP Agreement); and (ii) the balance of the Closing Fee (as defined in the PDP Agreement) will be due and payable in incremental payments prior to PDP Lender making any pre-delivery payment in an amount equal to 0.75% of each such pre-delivery payment.

The foregoing description of the SAC Credit Facility is a summary only and is qualified in its entirety by the full text of the SAC Credit Facility, which is filed as Exhibit 10.14 hereto and incorporated herein by reference.

Item 1.02 Termination of a Material Definitive Agreement.

PACI, Sponsor and certain of PACI's officers, directors, and Affiliates entered into that certain letter agreement dated November 30, 2021 (the "Insider Letter") as well as an administrative services agreement (the "Administrative Services Agreement"). Pursuant to the terms of the Business Combination Agreement, as of Closing, the Insider Letter and the Administrative Services Agreement were terminated.

Item 2.01 Completion of Acquisition or Disposition of Assets.

The disclosure set forth in the "Introductory Note" above is incorporated by reference into this Item 2.01.

On November 28, 2023, PACI held a special meeting of stockholders (the "Special Meeting") at which PACI stockholders considered and voted in favor of, among other matters, a proposal to approve and adopt the Business Combination Agreement.

On the Closing Date, the parties to the Business Combination Agreement consummated the Business Combination.

FORM 10

Item 2.01(f) of Form 8-K provides that if the registrant was a "shell company" (as such term is defined in Rule 12b-2 under the Securities Exchange Act of 1934, as amended (the "Exchange Act")), as Volato Group was immediately before the Business Combination, then the registrant must disclose the information that would be required if the registrant were filing a general form for registration of securities on Form 10. As a result of the consummation of the Business Combination, and as discussed below in Item 5.06 of this Report, Volato Group has ceased to be a shell company. Accordingly, to the extent not already disclosed in the Proxy Statement, Volato Group is providing the information below that would be included in a Form 10 if Volato Group were to file a Form 10. The information provided below relates to the combined company after the consummation of the Business Combination, unless otherwise specifically indicated or the context otherwise requires.

Cautionary Note Regarding Forward-Looking Statements.
This Report and documents incorporated by reference herein contain forward-looking statements within the meaning of Section 27A of the Securities Act and Section 21E of the Exchange Act. Volato Group has based these forward-looking statements on its current expectations and projections about future events. All statements, other than statements of present or historical fact included in this Report and documents incorporated by reference herein, regarding the benefits of the Business Combination, Volato Group's future financial performance following the Business Combination and Volato Group's strategy, expansion plans, future operations, future operating results, estimated revenues, losses, projected costs, prospects, plans and objectives of management are forward-looking statements. In some cases, you can identify forward-looking statements by terminology such as "may," "should," "could," "would," "expect," "plan," "anticipate," "intend," "believe," "estimate," "continue," "project" or the negative of such terms or other similar expressions. These forward-looking statements are subject to known and unknown risks, uncertainties and assumptions about Volato Group that may cause its actual results, levels of activity, performance or achievements to be materially different from any future results, levels of activity, performance or achievements expressed or implied by such forward-looking statements. Except as otherwise required by applicable law, Volato Group disclaims any duty to update any forward-looking statements, all of which are expressly qualified by the statements in this section, to reflect events or circumstances after the date of this Report. Volato Group cautions you that these forward-looking statements are subject to numerous risks and uncertainties, most of which are difficult to predict and many of which are beyond the control of Volato Group.

In addition, Volato Group cautions you that the forward-looking statements regarding Volato Group which are contained in this Report and documents incorporated by reference herein, are subject to the risks set forth in the section under the heading "Risk Factors" below.

Should one or more of the risks or uncertainties described in this Report or the documents incorporated by reference herein materialize, or should underlying assumptions prove incorrect, actual results and plans could differ materially from those expressed in any forward-looking statements. Additional information concerning these and other factors that may impact the operations and projections discussed herein can be found under the heading "Risk Factors" below.

Business.

The business of Volato Group is described in the Proxy Statement in the section entitled "Information About Volato" beginning on page 130 and that information is incorporated herein by reference.

Risk Factors.

The risks associated with Volato Group's business are described in the Proxy Statement in the section entitled "Risk Factors" beginning on page 28 and that information is incorporated herein by reference. A summary of such risks is included below:

Risks Related to Volato Group's Business and Industry

- Volato Group has a limited operating history and history of net losses, and may continue to experience net losses in the future.
- We may not be able to successfully implement our growth strategies.
- If Volato Group is not able to successfully enter into new markets and services and enhance our existing products and services, our business, financial condition and results of operations could be adversely affected.
- Volato Group may require substantial additional funding to finance its operations, but adequate additional financing may not be available when it needs it, on commercially acceptable terms or at all.
- The loss of key personnel upon whom Volato Group depends on to operate its business or the inability to attract additional qualified personnel could adversely affect its business.

- The supply of pilots to the aviation industry is limited and may negatively affect Volato Group's operations and financial condition. Increases in Volato Group's labor costs, which constitute a substantial portion of its total operating costs, may adversely affect its business, results of operations and financial condition.
- Volato Group may be subject to unionization, work stoppages, slowdowns or increased labor costs and the unionization of its employees could result in increased labor costs.
- Federal, state and local tax rules can adversely impact Volato Group's results of operations and financial position.
- Significant increases in fuel costs could have a material adverse effect on Volato Group's business, financial condition and results of operations.
- If Volato Group faces problems with any of its third-party service providers, its operations could be adversely affected.
- Volato Group's insurance may become too difficult or expensive for it to obtain. Increases in insurance costs or reductions in insurance coverage may materially and adversely impact Volato Group's results of operations and financial position.
- If Volato Group's efforts to continue to build its strong brand identity and achieve high member satisfaction and loyalty are not successful, it may not be able to attract or retain customers, and its operating results may be adversely affected.
- Any failure to offer high-quality customer support may harm Volato Group's relationships with its customers and could adversely affect our reputation, brand, business, financial condition and results of operations.
- Volato Group's business is primarily focused on certain targeted geographic markets, making us vulnerable to risks associated with having geographically concentrated operations.

Risks Related to Legal and Regulatory Matters

- Volato Group is subject to significant governmental regulation and incurs substantial costs in complying with the laws, rules, and regulations to which it is subject. A failure to comply with or changes to these restrictions may materially adversely affect its business.
- Compliance with environmental laws and regulations may adversely affect Volato Group's business and results of operations.
- The issuance of operating restrictions applicable to one of the fleet types Volato Group operates could have a material adverse effect on its business, results of operations and financial condition.

Risks Related to Being a Public Company

- Volato Group's management team has limited experience managing a public company and may not successfully manage its transition to public company status.
- Following the Closing, Volato Group will incur significant increased expenses and administrative burdens as a public company, which could have an adverse effect on its business, financial condition and operating results.
- Following the Closing, Volato Group's sole material asset will be its direct equity interest in Volato and, accordingly, Volato Group will be dependent upon distributions from Volato to pay taxes and cover its corporate and other overhead expenses and pay dividends, if any, on Common Stock.
- Volato Group does not intend to pay cash dividends for the foreseeable future.

Financial Information.

The audited financial statements of Volato and its subsidiaries as of December 31, 2022 and 2021 and for each of the two years in the period ended December 31, 2022 (the "Volato Audited Financials") are set forth in the Proxy Statement beginning on page F-26 and are incorporated herein by reference. The unaudited financial statements of Volato and its subsidiaries as of September 30, 2023 and for the three and nine months ended September 30, 2023 and 2022 (the "Volato Interim Financials") are set forth in Exhibit 99.1 hereto and are incorporated by reference herein.

The unaudited pro forma condensed combined financial information as of and for the year ended December 31, 2022 is set forth in the Proxy Statement beginning on page 16 and is incorporated herein by reference. The unaudited pro forma condensed combined financial information as of and for the three and nine months ended September 30 2023 is set forth in Exhibit 99.2 hereto and is incorporated by reference herein.

Management's discussion and analysis of financial condition and results of operations and quantitative and qualitative disclosures about market risk with respect to the years ended December 31, 2022 and 2021 are set forth in the Proxy Statement in the section entitled "Volato's Management's Discussion and Analysis of Financial Condition and Results of Operations" beginning on page 146 and are incorporated herein by reference. Management's discussion and analysis of financial condition and results of operations and quantitative and qualitative disclosures about market risk with respect to the three and nine months ended September 30, 2023 are set forth below:

Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discussion of our financial condition and results of operations should be read in conjunction with our consolidated financial statements and the related notes. This discussion contains forward-looking statements which involve risks and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements for many reasons, including the risks faced by us described in the section entitled "Risk Factors" and elsewhere in this Report. Unless the context otherwise requires, references in this "Volato's Management's Discussion and Analysis of Financial Condition and Results of Operations" section to "we," "us," "our," and "the Company" are intended to mean the business and operations of Volato, Inc. and its consolidated subsidiaries, prior to the Business Combination, and of Volato Group, Inc. and its consolidated subsidiaries after giving effect to the Business Combination.

Overview of Our Business

Volato, Inc. was originally formed in the State of Georgia under the name of Aerago, Inc. on January 7, 2021 ("inception"). On August 31, 2021, the Company filed an amendment to its Articles of Incorporation to change its name from "Aerago, Inc." to "Volato, Inc." Volato's mission is to provide our JetShare owners and other customers more time for the rest of their lives by providing convenient and high-quality travel by using the right aircraft for the mission and by developing proprietary technology designed to make the travel experience more seamless.

Volato's revenue is generated through our aircraft ownership program, a focused commercial strategy which includes deposit products and charter flights and aircraft management services. Volato's aircraft ownership program is an asset-lite model whereby Volato sells each fleet aircraft to a limited liability company, which sells LLC membership interests to third party owners and leases the aircraft back to Volato for management and charter operation on behalf of the LLC under 14 C.F.R. Part 135. In turn, program participants (JetShare owners) invest in those special purpose entities to fund the aircraft purchase. Volato operates the aircraft on behalf of the special purpose entity and enters into charter agreements with the individual JetShare owners to provide preferential access and charter pricing for Volato's HondaJet fleet.

Additionally, our commercial services generate demand for our fleet through the operation of retail deposit programs and charter as well as wholesale charter through brokers. Volato offers these programs on a fleet of 19 HondaJets and a managed fleet of 7 aircraft. Finally, we provide aircraft management services to existing owners of aircraft and help them monetize their aircraft through charter services.

- Since Volato's inception, the company has been focused on making the necessary investments in people, focused acquisitions, aircraft and technology to build an industry leading aviation company that uses capital efficiently.

Financial highlights for the year-to-date results through September 30, 2023 include:

- Revenue decreased by $18.9 million, or 31%, compared to the nine months ended September 30, 2022. Revenue from aircraft management and chartered flight services increased by $17.1 million, or 90.0%, while revenue from Plane Co membership interest sales and whole aircraft sales decreased by $36.1 million, or 86%,, during the nine months September 30, 2023;

- We had 8,759 total flight hours for the nine months ended September 30, 2023, representing over 100% year-over-year growth;

- We incurred a net loss of $29.2 million for the nine months ended September 30, 2023, representing a $22.9 million increase in loss over the prior year related to lower sales of Plane Co membership interest sales, as described above, and increased costs related to rapid scaling of the business.

- Adjusted EBITDA decreased by $21.3 million for the nine months ended September 30, 2023, to adjusted negative EBITDA of $27.1 million;

See "— Non-GAAP Financial Measures" below for a definition of Adjusted EBITDA, information regarding our use of Adjusted EBITDA and a reconciliation of net loss to Adjusted EBITDA.

Key Factors Affecting Results of Operations

We believe that the following factors have affected our financial condition and results of operations and are expected to continue to have a significant effect:

Market Competition

We compete for market share in the highly fragmented private aviation industry. The top 10 largest operators control approximately 25% of the total flight hours operated in the United States. For example, there are over 400 light jet operators (excludes air ambulance) offering Part 135 charter services in our primary network service area, flying approximately 293,000 flight hours. The breadth of operators and the product options (fractional, deposit/card programs, charter) makes the industry highly competitive.

Costs and Expense Management

In 2022 and 2023, Volato invested in the core business systems, processes and people required to safely operate a rapidly growing private aviation company. We will continue to invest in the technology and systems required to increase our fleet availability and utilization. The Company currently enrolls our fleet of HondaJet aircraft, and most of our managed aircraft, in OEM maintenance programs. These programs provide known hourly maintenance rates for our airplanes based on utilization levels and enable our maintenance expenses to be predictable. There is an opportunity to move to different tiers of these programs and increase the amount of maintenance we perform in-house to potentially increase aircraft availability. Substantial increases to the scope of Volato-performed maintenance would likely require material investments in personnel, equipment, facilities, and training. We will continue to evaluate these opportunities to improve our cost structure going forward.

Volato believes that pricing and data analytics are critical to our long-term ability to deliver high utilization rates on our aircraft. We plan to continue to develop new and unique products designed to leverage our yield management expertise. These new products have and will continue to require new technology systems and the resulting investment. We believe these investments will lead to increased financial performance by increasing total contribution margin from flight operations.

Economic Conditions

The private aviation industry is volatile and affected by economic cycles and trends. Volato's financial performance is susceptible to economically driven changes in demand particularly for our discretionary charter and deposit products. Our cost structure and private aviation demand levels can be greatly impacted by the price of jet fuel, pilot salaries and availability, changes in government regulations, consumer confidence, safety concerns, and other factors. Our experience operating light jets leads us to believe that operating the most efficient fleet in each class of airplanes (i.e., light, mid, super mid, large cabin), will prove beneficial in an economic downturn.

Pilot Availability and Attrition

The competition for pilots has intensified in recent years. We have relied on increasing pilot pay and benefits to continue to attract qualified applicants including equity compensation. While we have been able to attract and retain the appropriate number of pilots to date, there is no guarantee that we will be able to continue to do so without further increasing our cost structure.

Business Impact of COVID-19 and other pandemics

The global spread of COVID-19 has negatively affected the global economy, disrupted global supply chains, and created significant volatility and disruption of financial markets. Although unpredictable, the impact of this pandemic and other similar pandemics can impact the business, employees, suppliers, and customers in a variety of ways.

Seasonality

Our results of operations for any specific period are not necessarily indicative of those for an entire year since the private aviation industry is subject to seasonal fluctuations and general economic conditions.

Non-GAAP Financial Measures

In addition to our results of operations below, we report certain key financial measures that are not required by, or presented in accordance with, GAAP.

These non-GAAP financial measures are an addition, and not a substitute for or superior to, measures of financial performance prepared in accordance with GAAP and should not be considered as an alternative to any performance measures derived in accordance with GAAP. We believe that these non-GAAP financial measures of financial results provide useful supplemental information to investors, about Volato. However, there are a number of limitations related to the use of these non-GAAP financial measures and their nearest GAAP equivalents, including that they exclude significant expenses that are required by GAAP to be recorded in Volato's financial measures. In addition, other companies may calculate non-GAAP financial measures differently, or may use other measures to calculate their financial performance, and therefore, our non-GAAP financial measures may not be directly comparable to similarly titled measures of other companies.

Adjusted EBITDA

- We calculate Adjusted EBITDA as net loss adjusted for (i) interest income (expense), (ii) income tax expenses (iii) depreciation and amortization, (iv) equity-based compensation expense, (v) acquisition, integration, and capital raise related expenses, and (v) other items not indicative of our ongoing operating performance. We include Adjusted EBITDA as a supplemental measure for assessing operating performance.

The following table reconciles Adjusted EBITDA to net loss, which is the most directly comparable GAAP measure:

Adjusted EBITDA	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	**2022**	**2023**	**2022**
Net loss	$ (11,825,496)	$ (4,850,742)	$ (29,199,850)	$ (6,273,146)
Interest income	(20,202)	—	(34,173)	—
Interest expense	825,118	206,338	2,461,189	453,002
Income tax benefit	—		—	(80,000)
Depreciation	105,862	30,087	207,890	121,195
Acquisition, integration, and capital raise related expenses[(1)]	—	323	—	20,791
Other items not indicative of our ongoing operating performance[(2)]		—	(507,000)	—
Adjusted EBITDA	$ (10,914,718)	$ (4,613,994)	$ (27,071,944)	$ (5,758,158)

(1) Acquisition expenses associated with Gulf Coast Aviation.
(2) Represents gain on sale of Fly Dreams certificate and fuel credit from litigation settlement.

Results of Operations

Comparison of Three Months Ended September 30, 2023 and 2022

The following table sets forth our results of operations for the three months ended September 30, 2023 and 2022 :

	Three Months Ended 30-Sep		Change In	
	2023	2022	$	%
Revenue	$ 13,180,950	$ 14,075,955	$ (895,005)	-6%
Costs and Expense				
Cost of revenue	17,392,738	15,407,413	1,985,325	13%
Salaries and benefits	3,261,365	1,794,532	1,466,833	82%
Advertising expenses	805,784	93,959	711,825	758%
Professional fees	555,117	355,171	199,946	56%
General and administrative	2,092,845	1,111,929	980,916	88%
Depreciation	105,862	30,087	75,775	252%
Total cost and expense	24,213,711	18,793,091	5,420,620	29%
Loss from operation	(11,032,761)	(4,717,136)	(6,315,625)	134%
Gain from sale of Part 135 Certificate	—	—		
Gain from sale of equity method investment		(3,019)	3,019	-100%
Gain from deconsolidation of investments	—			
Income (loss) from equity-method investments	—			
Other income	12,181	75,751	(63,570)	-84%
Interest income on restricted cash	20,202	—		
Provision for income tax benefit	—			
Interest expense	(825,118)	(206,338)	(618,780)	300%
Net (Loss) Income	$ (11,825,496)	$ (4,850,742)	$ (6,974,754)	144%

Revenue

Revenue decreased by $0.90 million, or 6%, for the three months ended September 30, 2023 compared to the three months ended September 30, 2022. The decrease in revenue was primarily attributable to the following changes in charter flight revenue, aircraft management revenue and aircraft sales revenue (in thousands, except percentages):

	Three Months Ended September 30,		Change In	
	2023	2022	$	%
Charter flight revenue	$ 7,140,663	$ 4,207,404	$ 2,933,259	70%
Aircraft management	6,040,287	4,178,551	1,861,736	45%
Aircraft sales	—	5,690,000	(5,690,000)	-100%
Total	$ 13,180,950	$ 14,075,955	$ (895,005)	-6%

The decrease in revenue was primarily attributable to a decrease in revenue from aircraft sales of $5.7 million, or 100%, partially offset by an increase in charter flight revenue of $2.9 million, or 70% and aircraft management revenue of $1.9 million, or 45% during the three months ended September, 30, 2023. The decrease in aircraft sales primarily reflected the timing of aircraft delivery. Honda released the new HondaJet Elite II model in the fourth quarter of 2022 with Volato taking delivery of its first two Elite II model aircraft in fourth quarter 2022. We expect the next delivery of the HondaJet Elite IIs in the fourth quarter 2023. The increase in aircraft management and charter flight revenue is the result of an increase in the number of aircraft to 29 during the three months ended September 30, 2023 compared to the same period last year.

Costs and Expenses

Cost of Revenue

Cost of revenue comprises expenses tied to the associated revenue streams: charter flights, aircraft management, and aircraft sales. Charter flight cost of revenue includes all of the variable costs related to flight operations of our HondaJet floating fleet including fuel, maintenance, owner revenue share and landing and other airport fees. The aircraft management cost of revenue includes all costs incurred by Volato AMS (both fixed and variable) and the fixed costs related to our HondaJet floating fleet comprised primarily of the cost of flight crews. In the context of aircraft sales revenue, the cost of sales is Volato’s purchase price of the aircraft.

Cost of revenue increased by $2.0 million, or 13%, for the three months ended September 30, 2023 compared to the three months ended September 30, 2022. Aircraft sales cost of revenue decreased by $5.0 million due to the decrease in aircraft sales. Management fee cost of revenue increased by $4.0 million or 56% and charter flight cost of revenue increased by $3.0 million 90% in line with the increase in revenue for these revenue streams during this time period.

	Three Months Ended September 30,		Change In	
	2023	2022	$	%
Charter flight cost of revenue	6,240,847	3,280,223	2,960,624	90%
Aircraft management cost of revenue	11,151,891	7,127,190	4,024,701	56%
Aircraft sales cost of revenue	-	5,000,000	(5,000,000)	-100%
Total	17,392,738	15,407,413	1,985,325	13%

Other Operating Expenses

Salaries and Benefits

Salary and benefits expenses increased by $1.5 million, or 82%, for the three months ended September 30, 2023 compared to the three months ended September 30, 2022. The increase in salaries and benefits expenses was primarily attributable to an increase in payroll expense for both flight and business operations consistent with headcount growth as a result of growth in our operations.

Advertising Expenses

Advertising expenses increased by $0.7 million, or 758%, for the three months ended September 30, 2023 compared to the three months ended September 30, 2022. The increase in advertising expenses was primarily attributable to an overall increase in marketing efforts as the company is expanding its customer base and name recognition.

Professional Fees

Professional fees increased by $0.2 million, or 56%, for the three months ended September 30, 2023, compared to the three months ended September 30, 2022. The increase in professional fees was primarily attributable to an increase in accounting fees related to the rapid scaling of the business and preparation to become a public company.

General and Administrative

General and administrative expenses increased by $1.0 million, or 88%, for the three months ended September 30, 2023 compared to the three months ended September30, 2022. The increase in general and administrative expenses was primarily attributable to an increase in all team training, travel expenses due to headcount growth and software expenses.

Depreciation

Depreciation and amortization expenses were primarily attributable to an increase in capital expenditure related to capitalization of software and development costs resulting in an increase of depreciation expense of $.08 million.

Gain from sale of equity method investment

There was no gain from sale of equity method investment as Volato did not resell any fractional shares in the three months ending September 30, 2023

Interest Expense

Interest expense primarily consists of interest paid or payable on our credit facilities and convertible notes and amortization of debt issuance costs. Interest expense increased $0.6 million or 300%, during the three months ended September 30, 2023 as compared to the three months ended September 30, 2022 primarily as a result of convertible note issuances and increase in the Shearwater debt facility.

Comparison of Nine Months ended September 30, 2023 and 2022

The following table sets forth our results of operations for the nine months ended September 30, 2023 and 2022

	Nine Months Ended September 30,		Change In	
	2023	2022	$	%
Revenue	$ 41,860,775	$ 60,791,225	$ (18,930,450)	-31%
Costs and Expense				
Cost of revenue	52,687,408	59,779,367	(7,091,959)	-12%
Salaries and benefits	8,895,324	3,856,023	5,039,301	131%
Advertising expenses	1,383,118	229,788	1,153,330	502%
Professional fees	1,435,605	862,189	573,416	67%
General and administrative	5,474,167	2,524,307	2,949,860	117%
Depreciation	207,890	121,195	86,695	72%
Total cost and expense	70,083,512	67,372,869	2,710,643	4%
Loss from operation	(28,222,737)	(6,581,644)	(21,641,093)	329%
Gain from sale of Part 135 Certificate	387,000	—	387,000 [1]	100%
Gain from sale of equity method investment	883,165	—	883,165	100%
Gain from deconsolidation of investments	—	580,802	(580,802)	-100%
Income (loss) from equity-method investments	21,982	(37,301)	59,283	-159%
Other income	157,756	105,399	52,357	50%
Interest income on restricted cash	34,173	—	34,173	100%
Provision for income tax benefit	—	(80,000)	80,000	-100%
Net income attributable to non-controlling interest	—	(32,600)	32,600	-100%
Interest expense	(2,461,189)	(453,002)	(2,008,187)	443%
Net (Loss) Income	$ (29,199,850)	$ (6,273,146)	(22,926,704)	365%

Revenue

Revenue decreased by $18.9 million, or 31%, for the nine months ended September 30, 2023 compared to the nine months ended September 30, 2022. The decrease in revenue was primarily attributable to the following changes in charter flight revenue, aircraft management revenue and aircraft sales revenue (in thousands, except percentages):

	Nine Months Ended September 30,		Change In	
	2023	2022	$	%
Charter flight revenue	$ 21,137,860	$ 10,063,760	$ 11,074,100	110%
Aircraft management	15,012,914	8,962,495	6,050,419	68%
Aircraft sales	5,710,000	41,765,000	(36,055,000)	-86%
Total	$ 41,860,774	$ 60,791,255	$ (18,930,481)	-31%

The decrease in revenue was primarily attributable to a decrease in revenue from aircraft sales by $36.1 million, or 86%, partially offset by an increase in charter flight revenue of $11.1 million, or 110% and aircraft management revenue of $6.1 million , or 68%, during the nine months ended September 30, 2023 compared to the nine months ended September 30, 2022. The decrease in aircraft sales primarily reflected the timing of aircraft delivery. Honda released the new HondaJet Elite II model in the fourth quarter of 2022 with Volato taking delivery of its first two Elite II model aircraft in fourth quarter 2022. We expect the next delivery of the HondaJet Elite IIs in fourth quarter 2023. The increase in aircraft management and charter flight revenue is the result of an increase in the number of aircraft to 19 during the nine months ended September 30, 2023.

Costs and Expenses

Cost of Revenue

Cost of revenue comprises expenses tied to the associated revenue streams: charter flights, aircraft management, and aircraft sales. Charter flight cost of revenue includes all of the variable costs related to flight operations of our HondaJet floating fleet including fuel, maintenance, owner revenue share and landing and other airport fees. The aircraft management cost of revenue includes all costs incurred by Volato AMS (both fixed and variable) and the fixed costs related to our HondaJet floating fleet comprised primarily of the cost of flight crews. In the context of aircraft sales revenue, the cost of sales is Volato's purchase price of the aircraft.

Cost of revenue decreased by $7.1 million, or 12%, for the nine months ended September 30, 2023 compared to the nine months ended September 30, 2022. Aircraft sales cost of revenue decreased by $31.4 million or 85% due to the decrease in aircraft sales. The increase in charter flight cost of revenue of $12.7 million or 155% and management cost of revenue of $11.6 million or 79% is in line with the increase in revenue for these revenue streams during this time period.

	Nine Months Ended September 30,		Change In	
	2023	2022	$	%
Charter flight cost of revenue	20,853,977	8,191,396	12,662,581	155%
Aircraft management cost of revenue	26,393,450	14,753,271	11,640,180	79%
Aircraft sales cost of revenue	5,440,000	36,834,700	(31,394,700)	-85%
Total	52,687,428	59,779,367	(7,091,940)	-12%

Other Operating Expenses

Salaries and Benefits

Salary and benefits expenses increased by $5.0 million, or 132%, for the nine months ended September 30, 2023 compared to the nine months ended September 30, 2022. The increase in salaries and benefits expenses was primarily attributable to an increase in growth in headcount for both flight and business operations.

Advertising Expenses

Advertising expenses increased by $1.2 million, or 502%, for the nine months ended September 30, 2023 compared to the nine months ended September 30, 2022. The increase in advertising expenses was primarily attributable to an overall increase in marketing efforts to build a strong customer base by creating name recognition.

Professional Fees

Professional fees increased by $0.6 million, or 67%, for the nine months ended September 30, 2023 compared to the nine months ended September 30, 2022. The increase in professional fees was primarily attributable to an increase in accounting and legal fees related to the rapid scaling of the business and anticipation of becoming a publicly traded company.

General and Administrative

General and administrative expenses increased by $2.9 million, or 117%, for the nine months ended September 30, 2023 compared to the nine months ended September 30, 2022. The increase in general and administrative expenses was primarily attributable to an increase in pilot training and travel expenses due to headcount growth.

Depreciation

Depreciation expenses increased by $0.1 million, or 72%, for the nine months ended September 30, 2023 compared to the nine months ended September 30, 2022. This increase in depreciation and amortization expenses was primarily attributable to an increase in capital expenditures related to internal use software development.

Gain from sale of Part 135 Certificate

During the nine months ended September 30, 2023, the Company sold the Fly Dreams certificate with a carrying balance of $200,000 for a selling price of $600,000, resulting in a gain of $400,000. All aircraft have been moved on to the Part 135 certificate acquired with the purchase of Gulf Coast Aviation.

Gain from sale of equity method investment

During the nine months ended September 30, 2023, the Company sold the remaining interest in Volato 239, LLC and re-sold fractions in Volato 149, LLC and Volato 234, LLC resulting in a gain of approximately $900,000.

Income (loss) from equity-method investments

Gain on equity method investment is related to Volato's minority interest in the Plane Co's (Volato 158, LLC & Volato 239, LLC)). As of September 30, 2023, Volato owned 3.125% in Volato 158, LLC.

Interest Expense

Interest expense primarily consists of interest related to our credit facilities and convertible notes and amortization of debt issuance costs. Interest expense increased $2.0 million, or 443%, during the nine months ended September 30, 2023 as compared to the nine months ended September 30, 2022 primarily as a result of convertible note issuances, an increase in the Shearwater debt facility, and fees related to Dennis Liotta line of credit conversion.

Liquidity and Capital Resources

Overview

Our principal sources of liquidity have historically consisted of financing activities, including proceeds from the issuance of stock, borrowings under our credit facilities, and capital raises from convertible debt and preferred stock. We additionally manage liquidity through the sale of aircraft interests. As of September 30, 2023, we had $10.2 million of cash and restricted cash. During the nine months ended September 30, 2023, we converted our line of credit from a related party into convertible notes, and therefore have no amounts available for future borrowings under our credit facilities.

In July 2023, the Company issued Series A-1 Preferred Stock and raised $10 million in cash from the issuance of Series A-1 Preferred Stock and converted $38.4 million of convertible promissory notes. On September 1, 2023 and October 25, 2023, the PROOF.vc SPV purchased an additional 205,000 shares and 180,000 shares of Series A-1 Preferred Stock, respectively, at a purchase price of $10 per share on the same terms as the issuance of the $10 million of Series A-1 Preferred Stock.

Our primary needs for liquidity are to fund working capital, acquisitions, debt service requirements, and for general corporate purposes.

We believe factors that could affect our liquidity include the ability of our OEM partners to meet our delivery schedule and our ability to sell those aircraft, the growth rate of our charter and deposit program flying, changes in demand for our services, competitive pricing pressures, the timing and extent of spending on software development and other growth initiatives, our ability to improve the efficiency of our network flying, and overall economic conditions. To the extent that our current liquidity is insufficient to fund future activities, we may need to raise additional funds. In the future, we may attempt to raise additional capital through the sale of equity securities or through debt financing arrangements. If we raise additional funds by issuing equity securities, the ownership of existing shareholders will be diluted. The incurrence of additional debt financing would result in debt service obligations, and any future instruments governing such debt could provide for operating and financing covenants that could restrict our operations. In the event that additional funds are required from outside sources, we may not be able to raise it on terms acceptable to us or at all.

We have incurred negative cash flows from operating activities and significant losses from operations historically. We believe our cash on hand, along with proceeds upon consummation of the Business Combination, will be sufficient to meet our projected working capital and capital expenditure requirements for a period of at least 12 months from the date of this Form 8-K.

Cash Flows

The following table summarizes our cash flows for the nine months ended September 30, 2023, and 2022:

	Nine Months Ended June 30,	
	2023	**2022**
Net cash used in operating activities	$ (24,119,519)	$ (10,719,747)
Net cash provided by (used in) investing activities	1,436,680	5,176,262
Net cash provided by financing activities	24,958,269	8,591,860
Net Increase (Decrease) In Cash and Cash Equivalents	$ 2,275,430	$ 3,048,375

Cash Flow from Operating Activities

Net cash used in operating activities for the nine months ended September 30, 2023 was $24.1 million. The cash outflow from operating activities consisted of our net loss of $29.2 million, non-cash items of $0.6 million, and an increase in net operating assets and liabilities of $5.7 million. The increase in net operating assets and liabilities was primarily as a result of an increase in accounts payable and accrued liabilities of $7.6 million, an increase in customer deposits of $4.2 million, an increase in accrued interest of $1.0 million, partially offset by an increase of prepaid and other current assets and deposits of $2.7 million and a decrease in deposits on aircraft of $4.0 million.

Net cash used in operating activities for the nine months ended September 30, 2022 was $10.7 million. Cash outflow from operating activities consisted of our net loss of $6.3 million, non-cash items of $0.5 million and a decrease in net operating assets and liabilities of $4.0 million. The decrease in net operating assets and liabilities was primarily as a result of a decrease in deposits on aircraft of $7.8 million and an increase of prepaid and other current assets and deposits of $1.5 million, partially offset by an increase in customer deposits of $4.2 million and an increase in accounts payable and accrued liabilities of $1.3 million.

Cash Flow from Investing Activities

Net cash provided by investing activities for the nine months ended September 30, 2023 was $1.4 million. In the nine months ended September 30, 2023, the cash inflow from investing activities was attributable to proceeds from sale of interest in an equity-method investment of $4.2 million, and proceeds from sale of the Part 135 certificate of $0.4 million, partially offset by payments for purchase of equity-interest in equity-method investment of $2.3 million and capital expenditures of $0.8 million.

Net cash provided by investing activities for the nine months ended September 30, 2022 was $5.2 million. In the nine months ended September 30, 2022, the cash inflow from investing activities was attributable to proceeds from sale of interest in an equity-method investment of $6.6 million, offset by $1.2 million paid for the acquisition of GCA, net of cash acquired.

Cash Flow from Financing Activities

Net cash provided by financing activities for nine months ended September 30, 2023 was $25.0 million. In the nine months ended September 30, 2023, the cash inflow from financing activities was primarily attributable to proceeds from issuance of convertible notes of $12.7 million, issuance of Series A preferred stock of $12.1 million, and proceeds from credit facilities of $1.0 million, partially offset by repayments of loans of $0.8 million .

Net cash provided by financing activities for the nine months ended September 30, 2022 was $8.6 million. In the nine months ended September 30, 2022, the cash inflow from financing activities was primarily attributable to proceeds from issuance of convertible notes of $9.4 million, and proceeds from credit facilities of $5.0 million, partially offset by $5.8 million for repayments of our credit facilities.

Sources of Liquidity

To date, we have financed our operations primarily through issuance of preferred interests, cash from operations, borrowings of long-term debt, loans and convertible notes.

On December 9, 2021, the Company entered into a revolving loan agreement with Dennis Liotta, an affiliate of the Company, for a total amount of $8 million which was set to mature on January 1, 2023 (“December 2021 note”). The Company was required to make monthly payments of interest at a fixed rate of 4.0% per annum. In conjunction with the execution of the revolving note, both parties executed a security agreement, under which the Company granted a continuing security interest in all of the assets of the Company.

During the year ended December 31, 2022, the Company did not remit its interest payments in connection with the December 2021 note to this related party, thus triggering a default and increasing the interest rate to 9% plus an additional 5% on the missed payments. The agreement stipulated that in the event of default, the entire unpaid principal balance together with all accrued but unpaid interest shall be due and payable regardless of the maturity date. If the default occurred and remained uncured beyond the applicable grace period, then the entire unpaid principal balance would bear interest at a default interest of 500 basis points (5%) over the regular interest or nine percent (9%). Events of default include the failure to make principal or interest payments when due, any judgement in excess of $500,000, indebtedness cross default, or bankruptcy proceedings.

On March 15, 2023, the December 2021 note and accrued interest was converted into a convertible note with a principal balance of $6.0 million bearing interest at 4%, maturing on March 31, 2024.

On March 15, 2023, the Company entered into a promissory note agreement with Dennis Liotta, an affiliate of the Company, for a total amount of $1.0 million, with an effective date of February 27, 2023, which matures on March 31, 2024 (“March 2023 note”). The entire outstanding principal balance together with accrued but unpaid interest are due at the maturity date. The March 2023 note includes a ten percent (10%) interest rate per annum, which will be increased to twenty percent (20%) upon an event of default. Events of default include the failure to make any principal and accrued interest when due, any legal proceedings against the Company or a voluntary federal bankruptcy. The March 2023 note may be prepaid at any time without penalties.

During the year ended December 31, 2022 and nine months ended September 30, 2023, the Company issued a series of convertible notes (“Series CN-001”) with various investors for an aggregate principal amount of $19.1 million. The notes are due and payable at any time on or after December 31, 2023 upon the written demand of the majority holders, which can be extended at the sole election of the Company to June 30, 2024, should the Company submit or file a prospectus, proxy statement or registration statement with the SEC. The convertibles notes carry a five percent (5%) interest per annum. The Company may not prepay the convertible notes prior to maturity without the written consent of a majority of the holders. During the nine months ended September 30, 2023, the Company issued a series of convertible notes (“Series CN-002”) in an aggregate principal amount of $16.4 million, of which $10.4 million was funded and $6.0 million was issued pursuant to the conversion of the line of credit with a related party (see above). The notes (principal and interest) are due and payable at any time on or after March 31, 2024, upon the written demand of the majority holders, which can be extended at the sole election of the Company to September 30, 2024, should the Company submit or file a prospectus, proxy statement or registration statement with the SEC. The convertibles notes carry a four percent (4%) coupon per annum effective July 1, 2023. The Company may not prepay the convertible notes prior to maturity without the written consent of a majority of the holders.

In July 2023, the Company issued Series A-1 Preferred Stock and raised aggregate amount of $10,000,000 and converted its convertible notes for shares of Series A-2 and A-3 Preferred Stock.

During the year ended December 31, 2022, the Company executed a series of purchase agreements with Gulfstream Aerospace, LP for the acquisition of four (4) Gulfstream G-280 aircraft for total consideration of $79.0 million with expected deliveries in 2024, of which $22.5 million were funded and paid through September 30, 2023, through a credit facility from SAC leasing G 280 for $13.5 million and $9.0 million through cash deposits. The Company has a credit facility in place with SAC Leasing G280 LLC to fund $40.5 million of the original $79.0 million due under these purchase agreements with Gulfstream Aerospace LP. The remaining balance to be funded by SAC Leasing G280 LLC is $27.5 million.

The maturity date is the earlier of the delivery date of the aircraft or September 14, 2025, which is thirty-five (35) months from the date of funding. The purchase agreement contracts were assigned to SAC G280 LLC as collateral on this credit facility.

On July 21, 2023, Volato entered into a Series A Preferred Stock Purchase Agreement by and among (i) Volato, (ii) the PROOF.vc SPV, (iii) the Sponsor, and (iv) the holders of then-outstanding Series CN-001 and Series CN-0002 convertible promissory notes (the "Convertible Notes"), whereby (a) Volato may issue and sell up to a maximum aggregate of $60.0 million of Series A-1 Preferred Stock (the "Series A-1 Preferred Stock") at a price of $10 per share, with $10.0 million of Series A-1 Preferred Stock issued and sold at an initial closing to the PROOF Investors, and (b) the Convertible Notes were converted into the amount of Series A-2 Preferred Stock (the "Series A-2 Preferred Stock") or Series A-3 Preferred Stock (the "Series A-3 Preferred Stock" and together with the Series A-1 Preferred Stock and the Series A-2 Preferred Stock, the "Series A Preferred Stock") at a conversion price of, in the case of the Series A-2 Preferred Stock, $5.9820 per share and in the case of the Series A-3 Preferred Stock, $9.00 per share (collectively, the "Private Financing", such agreement, the "Series A Preferred Stock Purchase Agreement"). On September 1, 2023 and October 25, 2023, the PROOF.vc SPV purchased an additional 205,000 shares and 180,000 shares of Series A-1 Preferred Stock, respectively, at a purchase price of $10 per share on the same terms as the issuance of the $10.0 million of Series A-1 Preferred Stock.

During the nine months ended September 30, 2023 the Company issued Series A-1 Preferred Stock and raised $10 million in cash from the issuance of Series A-1 Preferred Stock and converted $38.4 million of convertible promissory notes. On September 1, 2023 and October 25, 2023, the PROOF.vc SPV purchased an additional 205,000 shares and 180,000 shares of Series A-1 Preferred Stock, respectively, at a purchase price of $10 per share on the same terms as the issuance of the $10 million of Series A-1 Preferred Stock.

For further information on the credit facilities and promissory notes, see Note 7 "Revolving Loan and Promissory Note – Related Party", Note 8 "Unsecured Convertible Notes", and Note 9 "Long Term Note Payable and Credit Facility" of the accompanying Notes to Consolidated Financial Statements included elsewhere in this proxy statement/prospectus.

Contractual Obligations and Commitments

Our principal commitments consist of contractual cash obligations under our credit facilities, operating leases for certain controlled aircraft and the Notes. We have committed to acquire four (4) Gulfstream G-280 aircraft for total consideration of $79.0 million with expected deliveries in 2024, of which $22.5 million was funded and paid through September 30, 2023. Additionally, we have committed to acquire 23 Honda HA-420 aircraft for a total consideration of $161.1 million, with expected deliveries between Q4 2023 and Q4 2025, of which $1.5 million was funded and paid through September 30, 2023.

The Company took delivery of one Honda HA-420 aircraft during the nine months ended September 30, 2023 for a purchase price of $5.5 million of which $250,000 was previously paid as a deposit on aircraft.

Our obligations under our credit facilities and the Notes are described in "—Sources of Liquidity" above. For further information on leases see Note 14 "Commitments and Contingencies" of the accompanying Notes to Consolidated Financial Statements included elsewhere in this proxy statement/prospectus.

On October 16, 2023, Volato engaged Roth Capital Partners, LLC ("Roth Capital") as its capital markets advisor. Roth Capital is a full-service investment bank that provides strategic and financial advisory services to emerging growth companies and their investors. Volato selected Roth Capital as its capital market advisor based on its qualifications, expertise and reputation, its knowledge of, and involvement in, transactions similar to the Business Combination and its capabilities with PIPEs, Pre-PIPES and similar financings. Roth Capital was engaged for a fee of $1 million to be paid in stock for assisting with raising up to $15 million in new capital, $1.25 million for assisting with raising between $15 to $20 million, $1.5 million for assisting with raising between $20 to $25 million, $1.75 million for assisting with raising between $25 to $30 million, and $2 million for assisting with raising more than $30 million. Volato also agreed to reimburse Roth Capital for certain customary expenses incurred in connection with such engagement, including up to $40,000 in legal fees.

On November 28, 2023, in conjunction with the Business Combination, PACI and Volato entered into a Equity Prepaid Forward Transaction with Vellar Opportunities Fund Master, Ltd.

On December 1, 2023, Volato engaged BTIG. Volato agreed to pay $2.5 million in shares of common stock of the public company entity that survives the transaction.

Critical Accounting Policies and Estimates

Our management's discussion and analysis of our financial condition and results of our operations is based on our consolidated financial statements and accompanying notes, which have been prepared in accordance with GAAP. Certain amounts included in or affecting the consolidated financial statements presented in this proxy statement/prospectus and related disclosure must be estimated, requiring management to make assumptions with respect to values or conditions which cannot be known with certainty at the time the consolidated financial statements are prepared. Management believes that the accounting policies set forth below comprise the most important "critical accounting policies" for the company. A "critical accounting policy" is one which is both important to the portrayal of our financial condition and results of operations and that involves difficult, subjective, or complex judgments, often as a result of the need to make estimates about the effect of matters that are inherently uncertain. Management evaluates such policies on an ongoing basis, based upon historical results and experience, consultation with experts and other methods that management considers reasonable in the particular circumstances under which the judgments and estimates are made, as well as management's forecasts as to the manner in which such circumstances may change in the future.

Revenue Recognition

We determine revenue recognition pursuant to Accounting Standards Codification ("ASC") 606, Revenue from Contracts with Customers, through the following steps:

1. Identification of the contract, or contracts, with a customer.
2. Identification of the performance obligation(s) in the contract.
3. Determination of the transaction price.
4. Allocation of the transaction to the performance obligation(s) in the contract.
5. Recognition of revenue when, or as the Company satisfies a performance obligation.

We generate revenue primarily through three sources (i) selling aircraft, (ii) commercial strategy which includes revenue from flights of deposit product customers and charter flights, and (iii) aircraft management services.

Revenue is recognized when control of the promised service is transferred to our member or the customer, in an amount that reflects the consideration we expect to be entitled to in exchange for those services.

The aircraft ownership program consists of facilitating the formation of limited liability companies owned by third-party members and subsequently selling an aircraft to the limited liability company. Under the aircraft ownership program, a customer can purchase an ownership share in a limited liability company which permits the owner to participate in the aircraft revenue share.

Volato also generates revenues from deposit products and charter flights. Domestic products are complementary set of products available to retail charter customers whereby, the customer pays deposits in exchange for certain charter product offerings of Volato to be provided in the future. Charter flights are flights offered to retail and non-retail charter customers in exchange for a fee. Revenue is recognized upon transfer of control of our promised services, which generally occurs upon the flight hours being used during the period which the chartered flights were operated.

Volato aircraft management services are a full-service management and charter operator including dry leasing airplanes from owners, placing aircrafts on our FAA Air Carrier Certificate, operating the aircraft for owner flights and chartering the aircraft to customers. Under the aircraft management services revenues stream, aircraft owners pay management fees to Volato and all operating expenses for the aircraft, maintenance, crew hiring and management, flight operations, dispatch, hangar, fuel, cleaning, insurance, and aircraft charter marketing. Revenues from aircraft management services is partially recognized overtime for the administrative portion of the service, and partially recognized at a point in time, generally upon the transfer of control of the promised services included as part of the management services.

Intangible Assets

We record our intangible assets acquired in a business combination at cost in accordance with ASC 350, Intangibles – Goodwill and Other. Following initial recognition, intangible assets are carried at cost less accumulated amortization and impairment losses, if any, and are amortized on a straight-line basis over the estimated useful life of the asset, which was determined based on management's estimate of the period over which the asset will contribute to our future cash flows. We periodically reassess the useful lives of our definite-lived intangible assets when events or circumstances indicate that useful lives have significantly changed from the previous estimate.

We review the intangible assets for impairment on an annual basis or if events or changes in circumstances indicate it is more likely than not that they are impaired. These events could include a significant change in the business climate, legal factors, a decline in operating performance, competition, sale, or disposition of a significant portion of the business, or other factors. If the carrying amount of a long-lived asset or asset group is determined not to be recoverable, an impairment loss is recognized and a write-down to fair value is recorded.

Goodwill

Goodwill represents the excess of the aggregate purchase price paid over the fair value of the net assets acquired in a business combination. Goodwill is not amortized and is tested for impairment at least annually or whenever events or changes in circumstances indicate that the carrying value may not be recoverable. Events or changes in circumstances that could trigger an impairment review include a significant adverse change in business climate, an adverse action or assessment by a regulator, unanticipated competition, a loss of key personnel, significant changes in the manner of our use of the acquired assets or the strategy for our overall business, significant negative industry or economic trends, or significant underperformance relative to expected historical or projected future results of operations. We have the option to first assess qualitative factors to determine whether the existence of events or circumstances leads to a determination that it is more likely than not that the fair value of a reporting unit is less than its carrying value, including goodwill.

If, after assessing the totality of events or circumstances, we determine that it is not more likely than not that the fair value of a reporting unit is less than its carrying amount, additional impairment testing is not required. We test for goodwill impairment annually during its fourth quarter on October 1.

Investment - Equity Method

The Company accounts for its equity method investment at cost, adjusted for the Company's share of the investee's earnings or losses, which is reflected in the consolidated statement of operations. The Company periodically reviews the investment for other than temporary declines in fair value below cost and more frequently when events or changes in circumstances indicate that the carrying value of an asset may not be recoverable.

Variable Interest Entity (VIE) Accounting

The Company evaluates its ownership, contractual relationships, and other interests in entities to determine the nature and extent of the interests, whether such interests are variable interests and whether the entities are VIEs in accordance with ASC 810, Consolidations. These evaluations can be complex and involve Management judgment as well as the use of estimates and assumptions based on available historical information, among other factors. Based on these evaluations, if the Company determines that it is the primary beneficiary of a VIE, this VIE entity is consolidated into the consolidated financial statements.

Each Plane Co is managed by PDK Management LLC, an entity whose sole member is the Company's Chief Executive Officer, through an operating agreement. The Company does not have the obligation to absorb losses that could be significant to the VIE or the right to receive significant benefits when it holds a minority ownership in each PlaneCo.

Stock-Based Compensation

The Company accounts for stock-based compensation costs under the provisions of ASC 718, Compensation—Stock Compensation ("ASC 718"), which requires the measurement and recognition of compensation expense related to the fair value of stock-based compensation awards that are ultimately expected to vest. The Company recognizes the cost of services received in exchange for awards of equity instruments based on the grant-date fair value of equity awards. This cost is recognized as expense over the employee's requisite vesting period or over the nonemployee's period of providing goods or services. Any forfeitures of stock-based compensation are recorded as they occur.

The Company utilizes the Black Scholes valuation model to value the issuance of stock-based compensation. See Note 12, "Shareholders' Equity (Deficit)" of the accompanying Notes to Consolidated Financial Statements.

Recent Accounting Pronouncements

For further information on recent accounting pronouncements, see Note 2 "Summary of Significant Accounting Policies" of the accompanying consolidated financial statements included elsewhere in this proxy statement/prospectus.

Quantitative and Qualitative Disclosures About Market Risk

In the ordinary course of operating our business, we are exposed to market risks. Market risk represents the risk of loss that may impact our financial position or results of operations due to adverse changes in financial market prices and rates. Our principal market risks are related to interest rates and aircraft fuel.

Interest Rates

We are subject to market risk associated with changing interest rates on certain of our credit facilities, which are variable rate debt. Interest rates applicable to our variable rate debt could potentially rise and increase the amount of interest expense incurred. We do not purchase or hold any derivative instruments to protect against the effects of changes in interest rates.

Aircraft Fuel

We are subject to market risk associated with changes in the price and availability of aircraft fuel. Aircraft fuel expense for the nine months ended September 30, 2023 represented 13.5%% of our total cost of revenue.

We do not purchase or hold any derivative instruments to protect against the effects of changes in fuel. See "*Risk Factors — Risks Relating to Volato's Business and Industry - Significant increases in fuel costs could have a material adverse effect on our business, financial condition and results of operations*." for additional information.

Properties

The locations from which Volato Group operates are described in the Proxy Statement in the section entitled "Facilities" on page 144 and that information is incorporated herein by reference.

Security Ownership of Certain Beneficial Owners and Management

The following table sets forth information known to Volato Group regarding the beneficial ownership of Common Stock upon the Closing by:

- each person who is the beneficial owner of more than 5% of the outstanding shares of Common Stock;
- each of Volato Group's named executive officers and directors; and
- all of Volato Group's named executive officers and directors as a group.

Beneficial ownership is determined according to the rules of the SEC, which generally provide that a person has beneficial ownership of a security if he, she or it possesses sole or shared voting or investment power over that security, including options, warrants and rights that are currently exercisable or exercisable within 60 days.

The beneficial ownership of Common Stock is based on 28,043,449 shares of Common Stock issued and outstanding immediately following the Closing.

Name of Beneficial Owner	Number of shares of Common Stock Beneficially Owned	Percentage of shares of outstanding Common Stock
Greater than 5% Stockholders:		
PROOF Acquisition Sponsor I, LLC(1)	5,507,813	19.64%
Named Executive Officers and Directors:(2)		
Matthew Liotta(3)	6,821,896	24.33%
Nicholas Cooper(4)	3,466,153	12.36%
Michael Prachar	137,489	*
Keith Rabin	90,995	*
Mark Heinen	—	*
Katherine Arris-Wilson(5)	12,357	*
Dana Born	—	*
Joan Sullivan Garrett	5,507	*
Peter Mirabello	—	*
Michael Nichols	44,069	*
All directors and named executive officers as a group (10 individuals)	10,578,466	37.72%

* Less than 1%.

(1) The business address of this beneficial owner is 11911 Freedom Drive, Suite 1080 Reston, VA 20190. 16,421 of its shares were forfeit to PACI in connection with the closing of the Business Combination.

(2) The business address of each of our officers and directors is 1954 Airport Road, Suite 124, Chamblee, GA 30341.

(3) Mr. Liotta beneficially owns (i) 3,466,153 shares of Common Stock held by Argand Group LLC in which Mr. Liotta holds shared voting and investment power, (ii) 174,337 shares of Common Stock held in a trust for the benefit of Mr. Liotta; (iii) 1,859,288 shares of Common Stock held by Liotta Family Office, LLC in which Mr. Liotta has shared voting and investment power, and (iv) 1,322,118 shares of Common Stock held by PDK Capital, LLC in which Mr. Liotta has sole voting and investment power.
Mr. Cooper beneficially owns 3,466,153 shares of Common Stock held by Hoop Capital LLC in which Mr. Cooper holds shared voting and investment power.

(4) Ms. Arris-Wilson beneficially owns these shares through The Katherine Wilson Revocable Trust for the benefit of Ms. Arris-Wilson.

(5) Does not include shares she owns through Proof Acquisition Sponsor I, LLC for which she disclaims beneficial ownership.

Directors and Executive Officers

Prior to the Closing, Robert George resigned as a director of Volato. Additionally, at the Closing, each director of PACI resigned from the board of PACI and appointed each of Katherine Arris-Wilson, Dana Born, Nicholas Cooper, Joan Sullivan Garrett, Matthew Liotta, Peter Mirabello and Michael Nichols to the board of Volato Group. With the exception of Mr. Mirabello's information which appears below, information with respect to Volato Group's directors and executive officers after the Closing is described in the Proxy Statement in the section entitled "Management of Volato Group Following the Business Combination" beginning on page 162 and that information is incorporated herein by reference.

Mr. Mirabello has served as a Director of Volato Group since December 1, 2023, and currently serves as Chairman and CEO of Metal Finishing Technologies, LLC (MFT) since 2011. From December 1998 to March 2008, he served as the Executive Vice President at NetJets, during which he oversaw the Marquis Jet Card program, NetJets International, and Executive Jet Management charter operations. Prior to joining NetJets in 1998, Mr. Mirabello served as a commercial director at International Aero Engines in Toulouse, France and held positions at Pratt & Whitney focusing on purchasing finance negotiation and manufacturing development engineering. Mr. Mirabello holds a Master of Science in International Business Management from Rensselaer Polytechnic Institute, and a Bachelor of Science in Engineering, Business and Communications from the Central Connecticut State University. Mr. Mirabello is qualified to serve on the Board because of his extensive engineering, business management and fractional aviation ownership experience.

Executive Compensation

Information with respect to Volato Group's executive and director compensation is described in the Proxy Statement in the section entitled "Volato's Executive Officer and Director Compensation" beginning on page 166 and that information is incorporated herein by reference.

Reference is made to the disclosure set forth under Item 1.01 of this Report, which is incorporated herein by reference, regarding the entrance into employment agreements with each executive officer.

Certain Relationships and Related Party Transactions

In addition to the information below, information with respect to certain relationships and related party transactions is described in the Proxy Statement in the section entitled "Certain Relationships and Related Party Transactions" beginning on page 170 and that information is incorporated herein by reference.

Dennis Liotta (father of the Volato Group's Chief Executive Officer) – February 2023 promissory note

On March 15, 2023, the Company entered into a promissory note agreement with Dennis Liotta, an affiliate of the Company, for a total amount of $1,000,000, with an effective date of February 27, 2023, which matures on March 31, 2024 ("March 2023 note"). The entire outstanding principal balance together with accrued but unpaid interest are due at the maturity date. The March 2023 note includes a ten percent (10%) interest rate per annum, which will be increased to twenty percent (20%) upon an event of default. Events of default include the failure to make any principal and accrued interest when due, any legal proceedings against the Company or a voluntary federal bankruptcy. The March 2023 note may be prepaid at any time without penalties.

The Company incurred approximately $60,000 of interest during the nine months ended September 30, 2023. Accrued interest was $60,000 as of September 30, 2023.

Corporate Governance

Because Volato Group's Common Stock is listed on NYSE American, Volato Group is required to comply with the applicable rules of such exchange in determining whether a director is independent. The Board has determined, based on information provided by each director concerning his background, employment and affiliations, that each of Ms. Arris-Wilson, Dr. Born, Ms. Garrett, Mr. Mirabello and Mr. Nichols qualifies as independent as defined under the applicable NYSE American and SEC rules. In making these determinations, the Board considered the current and prior relationships that each director has with Volato Group and all other facts and circumstances the Board deemed relevant in determining their independence. All members of the audit committee (the "Audit Committee"), compensation committee (the "Compensation Committee") and nominating and corporate governance committee (the "Nominating and Corporate Governance Committee") of the Board are independent as defined under the applicable NYSE American and SEC rules.

The members of the Audit Committee are Ms. Arris-Wilson, Dr. Born and Mr. Mirabello. The Board has determined that each member of the Audit Committee is financially literate. The Board has also determined that Dr. Born possesses accounting or related financial management expertise within the meaning of the applicable listing standards and qualifies as an "audit committee financial expert," as defined by the rules of the SEC.

The members of the Compensation Committee are Ms. Arris-Wilson, Ms. Garrett and Mr. Nichols. Each member of the Compensation Committee is a "non-employee director" as defined in Rule 16b-3 of the Exchange Act.

The members of the Nominating and Corporate Governance Committee are Ms. Arris-Wilson, Dr. Born and Mr. Mirabello.

Corporate Governance Guidelines

The Corporate Governance Guidelines adopted by the Board, which include guidelines for determining director independence, are published on the Volato Group's website at http://ir.flyvolato.com, in the "Governance-Governance Documents" section, and are available in print to any stockholder upon request. That section of the website makes available the Volato Group's corporate governance materials, including Board committee charters. Those materials are also available in print to any stockholder upon request.

Code of Ethics

All directors, officers and employees of the Volato Group are expected to act ethically at all times and in accordance with the policies comprising our Code of Ethics and Business Conduct (the "Code") which is available on our website at http://ir.flyvolato.com, in the "Governance-Governance Documents" section, and is available in print to any stockholder upon request. Any waiver or any implicit waiver from a provision of the Code applicable to our chief executive officer, chief financial officer, chief accounting officer, or any amendment to the Code must be approved by the Board. We will disclose on our website amendments to, and, if any are granted, any such waiver of, the Code. Our Audit Committee is responsible for applying the Code to specific situations in which questions are presented to it and has the authority to interpret the Code in any particular situation. If, after investigating any potential breach of the Code reported to it, the Audit Committee determines (by majority decision) that a breach has occurred, it will inform the Board of Directors. Upon being notified that a breach has occurred, the Board (by majority decision) will take or authorize such disciplinary or preventive action as it deems appropriate, after consultation with the Audit Committee and/or the Volato Group's General Counsel, up to and including dismissal or, in the event of criminal or other serious violations of law, notification of the SEC or other appropriate law enforcement authorities.

Legal Proceedings

The Company is currently not involved with or know of any pending or threatening litigation against the Company or any of its officers.

Market Price of and Dividends on the Registrant's Common Equity and Related Stockholder Matters.

The disclosure set forth in the "Introductory Note" above is incorporated by reference into this Item 2.01.

The information set forth in the section entitled "Price Range of PACI's Securities" on page 27 of the Proxy Statement is incorporated herein by reference.

Volato Group has reserved a pool of shares of Volato Group Common Stock for issuance pursuant to awards under Volato Group's 2023 Stock Incentive Plan equal to 20% of the aggregate number of shares of Common Stock issued and outstanding immediately after the Closing, which is equal to 5,608,690 shares.

The payment of cash dividends on Common Stock in the future will be dependent upon the revenues, earnings, if any, capital requirements, and general financial condition of Volato Group. The payment of any cash dividends on Common Stock will be within the discretion of the Volato Group Board. The Volato Group Board is not currently contemplating and does not anticipate declaring stock dividends on Common Stock nor is it currently expected that the Volato Group Board will declare any dividends in the foreseeable future.

Recent Sales of Unregistered Securities.

Reference is made to the disclosure set forth under Item 3.02 of this Report, which is incorporated herein by reference.

Description of Registrant's Securities to be Registered.

The information set forth in the section entitled "Description of Securities" on page 186 of the Proxy Statement is incorporated herein by reference.

Indemnification of Directors and Officers.

The information set forth in the section entitled '*Director and Officer Exculpation and Indemnification*" on page 173 of the Proxy Statement is incorporated herein by reference.

Changes in and Disagreements with Accountants on Accounting and Financial Disclosure.

Reference is made to the disclosure set forth under Item 4.01 of this Report, which is incorporated herein by reference.

Financial Statements, Supplementary Data and Exhibits.

Notwithstanding the legal form, the Business Combination will be accounted for as a reverse recapitalization in accordance with U.S. GAAP and not as a business combination under ASC 805. Under this method of accounting, PACI, will be treated as the acquired company for accounting purposes, whereas Volato will be treated as the accounting acquirer. In accordance with this method of accounting, the Business Combination will be treated as the equivalent of Volato issuing shares for the net assets of PACI, accompanied by a recapitalization. The net assets of Volato will be stated at historical cost, with no goodwill or other intangible assets recorded, and operations prior to the Business Combination will be those of Volato. Volato has been determined to be the accounting acquirer for purposes of the Business Combination based on an evaluation of the following facts and circumstances:

- Legacy Volato stockholders have a majority of the voting interest in Volato Group with approximately 69% of the voting interest;
- The senior management of Volato Group is comprised of individuals from Volato;
- Volato designated a majority of the initial board of directors of Volato Group;
- An individual from Volato serves as the chairman of the initial board of directors of Volato Group and the Chief Executive Officer of Volato Group and a second individual from Volato is designated as the Chief Financial Officer of Volato Group and the remaining members of senior management of Volato Group is comprised entirely of individuals from Volato; and
- Volato's operations will comprise the ongoing operations of Volato Group.

Reference is made to the disclosure set forth under Item 9.01 of this Report, which is incorporated herein by reference.

Item 2.03 Creation of a Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arrangement of a Registrant.

Reference is made to the disclosure set forth under Items 1.01 and 2.01 of this Report relating to the SAC Credit Facility which is incorporated herein by reference.

Item 3.02 Unregistered Sales of Equity Securities.

The disclosure relating to the Series A Financing set forth in the "Introductory Note" above is incorporated by reference into this Item 3.02.

Item 3.03 Material Modification to Rights of Security Holders.

At the Special Meeting, PACI stockholders considered and approved, among other things, the proposals set forth in the Proxy Statement in the section titled "Proposal No. 3 - The Charter Proposal" (the "Charter Proposal") beginning on page 157, and that information is incorporated herein by reference.

Volato Group's Second Amended and Restated Certificate of Incorporation, which became effective upon filing with the Secretary of State of the State of Delaware on the Closing Date, includes the amendments included in the Charter Proposal.

In connection with the Closing, the Board approved and adopted Volato Group's Amended and Restated Bylaws, which became effective upon the consummation of the Business Combination.

The descriptions of Volato Group's Second Amended and Restated Certificate of Incorporation and the general effect of the Second Amended and Restated Certificate of Incorporation and the Amended and Restated Bylaws upon the rights of the holders of Volato Group Common Stock are included in the Proxy Statement under the sections titled "Charter Amendment Proposal," "Advisory Charter Proposals," and "Comparison of Stockholders' Rights" beginning on pages 96, 97, and 178, respectively, of the Proxy Statement and that information is incorporated herein by reference.

The foregoing description of the Second Amended and Restated Certificate of Incorporation and the Amended and Restated Bylaws does not purport to be complete and is qualified in its entirety by the terms of the Second Amended and Restated Certificate of Incorporation and the Amended and Restated Bylaws, which are attached hereto as Exhibits 3.1 and 3.2, respectively, and are incorporated by reference.

Item 4.01 Changes in Registrant's Certifying Accountant.

On December 5, 2023, the Audit Committee approved the engagement of Rose, Snyder and Jacobs LLP ("RSJ") as Volato Group's independent registered public accounting firm to audit Volato Group's consolidated financial statements as of and for the period ending December 31, 2023. RSJ served as the independent registered public accounting firm of Volato prior to the Business Combination. Accordingly, Marcum LLP ("Marcum"), PACI's independent registered public accounting firm prior to the Business Combination, was informed on December 5, 2023 that it would be replaced by RSJ as Volato Group's independent registered public accounting firm, effective as of December 7, 2023.

The report of Marcum on PACI's balance sheets as of December 31, 2022 and 2021, and the related statements of operations, changes in stockholders' equity (deficit) and cash flows for the year ended December 31, 2022 and for the period from March 16, 2021 (inception) through December 31, 2021, did not contain an adverse opinion or a disclaimer of opinion, nor was it qualified or modified as to uncertainty, audit scope or accounting principles, except that such report contained an explanatory paragraph which noted that there was substantial doubt as to PACI's ability to continue as a going concern due to the mandatory liquidation date of PACI being less than one year after the date the financial statements.

During the period from March 16, 2021 (inception), through December 31, 2022, and subsequent interim periods through December 7, 2023, there were no disagreements between PACI and Marcum on any matter of accounting principles or practices, financial statement disclosure, or auditing scope or procedure, which disagreements, if not resolved to the satisfaction of Marcum, would have caused Marcum to make reference to the subject matter of the disagreement in connection with its report covering such period.

During the period from March 16, 2021 (inception), through December 31, 2022, and subsequent interim periods through December 7, 2023, there were no "reportable events" (as defined in Item 304(a)(1)(v) of Regulation S-K under the Exchange Act ("Regulation S-K")), other than the material weakness in internal controls over financial reporting related to allocation of an expense for directors and officers liability insurance which was subsequently remediated.

During the period from March 16, 2021 (inception), through December 5, 2023, the date the Audit Committee approved the engagement of RSJ as Volato Group's independent registered public accounting firm, neither PACI nor anyone on PACI's behalf consulted with RSJ regarding (i) the application of accounting principles to a specified transaction, either completed or proposed, or the type of audit opinion that might be rendered on the financial statements of PACI or Volato Group, and no written report or oral advice was provided to PACI by RSJ that RSJ concluded was an important factor considered by PACI or Volato Group in reaching a decision as to the accounting, auditing or financial reporting issue; or (ii) any matter that was either the subject of a disagreement, as that term is described in Item 304(a)(1)(iv) of Regulation S-K, or a reportable event, as that term is defined in Item 304(a)(1)(v) of Regulation S-K.

Volato Group provided Marcum with a copy of the foregoing disclosures prior to the filing of this Report and requested that Marcum furnish Volato Group with a letter addressed to the SEC stating whether it agrees with the statements made by Volato Group set forth above. A copy of Marcum's letter, dated December 7, 2023, is attached as Exhibit 16.1 to this Report.

Item 5.01 Changes in Control of Registrant.

The disclosure set forth in the section entitled "Introductory Note" above and in Item 2.01 of this Report is incorporated herein by reference.

Item 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

In addition to the below, the disclosure set forth in the sections entitled "Corporate Governance" and "Certain Relationships and Related Party Transactions" in Item 2.01 of this Report is incorporated herein by reference.

On the Closing Date, in connection with the Closing, each of John C. Backus, Jr., Chief Executive Officer and a director, Steven P. Mullins, Chief Financial Officer, and Michael Zarlenga, General Counsel and Secretary, resigned. On the Closing Date, in connection with the Closing, Peter Harrison, Coleman Andrews, Mark Lerdal, and Lisa Suennen, each a member of the board of directors, resigned.

Information with respect to employment agreements with officers of Volato Group is set forth in the section entitled "Employment Agreements" in Item 1.01and that information is incorporated herein by reference.

Information with respect to Volato Group's 2023 Stock Incentive Plan is described in the Proxy Statement in the section entitled "Stock Incentive Plan Proposal" beginning on page 99 and that information is incorporated herein by reference.

Item 5.03 Amendments to Articles of Incorporation or Bylaws; Change in Fiscal Year.

Reference is made to the disclosure set forth under Item 3.03 of this Report, which is incorporated herein by reference.

Item 5.05 Amendments to the Registrant's Code of Ethics, or Waiver of a Provision of the Code of Ethics.

On the Closing Date, in connection with the Closing, the Board adopted a new code of business conduct applicable to all of Volato Group's employees, officers and directors. A copy of the code of business conduct is available on our website at http://ir.flyvolato.com, in the "Governance-Governance Documents" section. The foregoing description of the code of business conduct does not purport to be complete and is qualified in its entirety by the full text of the code of business conduct, which is filed as Exhibit 14.1 hereto and incorporated herein by reference. Volato Group expects that any amendments to the code of business conduct, or any waivers of its requirements, will be disclosed on its website or by any other means permitted under applicable SEC rules.

Item 5.06 Change in Shell Company Status.

As a result of the Business Combination, PACI ceased to be a shell company. Reference is made to the disclosure in the Proxy Statement in the section entitled "BCA Proposal" beginning on page 68 of the Proxy Statement, and that information is incorporated herein by reference.

Item 7.01 Regulation FD Disclosure.

On the Closing Date, Volato Group issued a press release announcing, among other things, the Closing. The press release is attached to this Report as Exhibit 99.3 and incorporated herein by reference.

The information contained under this Item 7.01 in this Report, including Exhibit 99.3, is being furnished and shall not be deemed "filed" for purposes of Section 18 of the Exchange Act or otherwise subject to the liabilities under that section and shall not be deemed to be incorporated by reference into any filing of Volato Group under the Securities Act or the Exchange Act, except as may be expressly set forth by specific reference in such filing.

Item 9.01 Financial Statements and Exhibits.

(a) Financial statements of businesses or funds acquired.

The unaudited financial statements of Volato and its subsidiaries as of September 30, 2023 and for the three and nine months ended September 30, 2023 and 2022 are set forth in Exhibit 99.1 hereto and are incorporated by reference herein. The Volato Audited Financials are set forth in the Proxy Statement beginning on page F-26 and are incorporated herein by reference.

(b) Pro forma financial information.

The unaudited pro forma condensed combined financial information as of and for the three and nine months ended September 30, 2023 is set forth in Exhibit 99.2 hereto and is incorporated by reference herein. The unaudited pro forma condensed combined financial information as of and for the year ended December 31, 2022 is set forth in the Proxy Statement beginning on page 16 and is incorporated herein by reference.

(d) Exhibits

Exhibit Number	
2.1	Business Combination Agreement, dated as of August 1, 2023, by and among PROOF Acquisition Corp I, PACI Merger Corp, Inc., and Volato, Inc. (included as Annex A to PROOF Acquisition Corp I's Registration Statement on Form S-4 (File No. 333-274082), filed with the Securities and Exchange Commission on August 18, 2023).
3.1	Second Amended and Restated Certificate of Incorporation of Volato Group, Inc. (included as Annex B to PROOF Acquisition Corp I's Registration Statement on Form S-4 (File No. 333-274082), filed with the Securities and Exchange Commission on August 18, 2023).
3.2	Second Amended and Restated Bylaws of PROOF Acquisition Corp I (incorporated by reference to Exhibit 3.5 to PROOF Acquisition Corp I's Registration Statement on Form S-4 (File No. 333-274082), filed with the Securities and Exchange Commission on August 18, 2023).
4.1*	Specimen Class A Common Stock Certificate of Volato Group, Inc.
10.1#	Volato Group, Inc. 2023 Stock Incentive Plan (included as Annex C to PROOF Acquisition Corp I's Registration Statement on Form S-4 (File No. 333-274082), filed with the Securities and Exchange Commission on August 18, 2023).
10.2#	Volato, Inc. 2021 Equity Incentive Plan (incorporated by reference to Exhibit 10.2 to PROOF Acquisition Corp I's Registration Statement on Form S-4 (File No. 333-274082), filed with the Securities and Exchange Commission on August 18, 2023).
10.3#*	Employment Agreement, dated December 1, 2023, between Volato Group, Inc., Volato, Inc. and Nicholas Cooper.
10.4#*	Employment Agreement, dated December 1, 2023, between Volato Group, Inc., Volato, Inc. and Steven Drucker.
10.5#*	Employment Agreement, dated December 1, 2023, between Volato Group, Inc., Volato, Inc. and Mark Heinen.
10.6#*	Employment Agreement, dated December 1, 2023, between Volato Group, Inc., Volato, Inc. and Matthew Liotta.
10.7#*	Employment Agreement, dated December 1, 2023, between Volato Group, Inc., Volato, Inc. and Michael Prachar.
10.8#*	Employment Agreement, dated December 1, 2023, between Volato Group, Inc., Volato, Inc. and Keith Rabin.
10.9*	Form of Amended and Restated Registration Rights Agreement, dated December 1, 2023, by and among PROOF Acquisition Corp I, PROOF Acquisition Sponsor I, LLC and certain other securities holders named therein.
10.10	Form of Lock-up Agreement ((incorporated by reference to Exhibit 10.13 to PROOF Acquisition Corp I's Registration Statement on Form S-4 (File No. 333-274082), filed with the Securities and Exchange Commission on August 18, 2023)
10.11*	Amendment to Letter Agreement, dated November 30, 2023, by and between PROOF Acquisition Corp I and LSH Partners Securities LLC.

10.12*	Amendment to Letter Agreement, dated December 1, 2023, by and among BTIG, LLC and Volato, Inc.
10.13*	Amendment to Letter of Advisory Engagement, dated as of December 1, 2023, by and between Volato, Inc. and Roth Capital Partners, LLC.
10.14*	Pre-Delivery Payment Agreement, dated effective as of October 5, 2022, by and between Volato, Inc. and SAC Leasing V280, LLC.
14.1*	Code of Business Conduct and Ethics.
16.1*	Letter from Marcum LLP to the Securities and Exchange Commission, dated December 7, 2023.
21.1*	List of Subsidiaries
99.1*	Unaudited financial statements of Volato, Inc. and its subsidiaries as of September 30, 2023 and for the three and nine months ended September 30, 2023 and 2022.
99.2*	Unaudited pro forma condensed combined financial information as of and for the three and nine months ended September 30, 2023.
99.3*	Press release, dated December 1, 2023.
104*	Cover Page Interactive Data File (embedded within the Inline XBRL document).

* Filed herewith

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: December 7, 2023

VOLATO GROUP, INC.

By: /s/ Mark Heinen
Name: Mark Heinen
Title: Chief Financial Officer

Exhibit 4.1

NUMBER **SHARES**

C-

VOLATO GROUP, INC.

INCORPORATED UNDER THE LAWS OF THE STATE OF DELAWARE

CLASS A COMMON STOCK

SEE REVERSE FOR CERTAIN DEFINITIONS

This Certifies that **CUSIP [●]**

is the owner of

FULLY PAID AND NON-ASSESSABLE SHARES OF THE PAR VALUE OF $0.0001 EACH OF THE CLASS A COMMON STOCK OF

VOLATO GROUP, INC.
(THE "COMPANY")

transferable on the books of the Company in person or by duly authorized attorney upon surrender of this certificate properly endorsed.
This certificate is not valid unless countersigned by the Transfer Agent and registered by the Registrar.
Witness the facsimile seal of the Company and the facsimile signatures of its duly authorized officers.

Dated:

Chief Executive Officer

Chief Financial Officer

VOLATO GROUP, INC.

The Company will furnish without charge to each stockholder who so requests the powers, designations, preferences and relative, participating, optional or other special rights of each class of stock or series thereof of the Company and the qualifications, limitations, or restrictions of such preferences, and/or rights. This certificate and the shares represented thereby are issued and shall be held subject to all the provisions of the Company's Second Amended and Restated Certificate of Incorporation and all amendments thereto and resolutions of the Board of Directors providing for the issue of securities (copies of which may be obtained from the secretary of the Company), to all of which the holder of this certificate by acceptance hereof assents.

The following abbreviations, when used in the inscription on the face of this certificate, shall be construed as though they were written out in full according to applicable laws or regulations:

TEN COM	-	as tenant in common
TEN ENT	-	as tenants by the entireties
JT TEN	-	as joint tenants with right of survivorship and not as tenants in common

UNIF GIFT MIN ACT - _____ Custodian _____
(Cust) (Minor)
Under Uniform Gifts to Minors

Act _____
(State)

Additional abbreviations may also be used though not in the above list.

For value received, _____ hereby sells, assigns and transfers unto

PLEASE INSERT SOCIAL SECURITY OR OTHER
IDENTIFYING NUMBER OF ASSIGNEE

_____

(PLEASE PRINT OR TYPEWRITE NAME AND ADDRESS, INCLUDING ZIP CODE, OF ASSIGNEE)

_____

_____

shares of the capital stock represented by the within Certificate, and hereby irrevocably constitutes and appoints

_____

Attorney to transfer the said stock on the books of the within named Company with full power of substitution in the premises.

Dated _____

Notice: The signature(s) to this assignment must correspond with the name as written upon the face of the certificate in every particular, without alteration or enlargement or any change whatever.

Signature(s) Guaranteed:

_____

T H E SIGNATURE(S) MUST BE GUARANTEED BY AN ELIGIBLE GUARANTOR INSTITUTION (BANKS, STOCKBROKERS, SAVINGS AND LOAN ASSOCIATIONS AND CREDIT UNIONS WITH MEMBERSHIP IN AN APPROVED SIGNATURE GUARANTEE MEDALLION PROGRAM, PURSUANT TO S.E.C. RULE 17Ad-15 (OR ANY SUCCESSOR RULE) UNDER THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED).

THE SECURITIES OF VOLATO GROUP, INC. REPRESENTED BY THIS CERTIFICATE, NOTICE OR DOCUMENT ARE SUBJECT TO VOTING RESTRICTIONS WITH RESPECT TO CERTAIN SECURITIES HELD, OWNED OR CONTROLLED BY PERSONS OR ENTITIES THAT FAIL TO QUALIFY AS "CITIZENS OF THE UNITED STATES" AS THE TERM IS DEFINED USED IN SECTION 40102(A)(15) OF TITLE 49 OF THE UNITED STATES CODE, AS AMENDED, IN ANY SIMILAR LEGISLATION OF THE UNITED STATES ENACTED IN SUBSTITUTION OR REPLACEMENT THEREFOR, AND AS INTERPRETED BY THE DEPARTMENT OF TRANSPORTATION, ITS PREDECESSORS AND SUCCESSORS, FROM TIME TO TIME. SUCH VOTING RESTRICTIONS ARE CONTAINED IN THE CERTIFICATE OF INCORPORATION AND THE BYLAWS OF VOLATO GROUP, INC., AS THE SAME MAY BE AMENDED OR RESTATED FROM TIME TO TIME. A COMPLETE AND CORRECT COPY OF THE CERTIFICATE OF INCORPORATION AND THE BYLAWS SHALL BE FURNISHED FREE OF CHARGE TO THE HOLDER OF THE SECURITIES REPRESENTED HEREBY UPON WRITTEN REQUEST TO THE SECRETARY OF THE CORPORATION.

Exhibit 10.3

Employment Agreement

This Employment Agreement (the "Agreement") is made and entered into as of December 1, 2023, by and among Nicholas Cooper (the "Executive"), Volato Group, Inc (fka PROOF Acquisition Corp I, the "Parent"), and Volato, Inc. (the "Company," and together with the Parent, the "Companies").

WHEREAS, pursuant to the terms of that certain Business Combination Agreement, dated August 1, 2023, by and among the Parent, PACI Merger Sub, Inc., and the Company, the Company will become a wholly-owned subsidiary of the Parent following the closing of the transaction (such transactions collectively the "Merger");

WHEREAS, the Executive has been employed by the Company since November 1, 2021 and currently serves as Treasurer and Chief Commercial Officer of the Company;

WHEREAS, in connection with the Merger, the parties desire to enter into this Agreement in order to promote the Executive's retention and service following the closing date of the Merger (the "Effective Date"), to incentivize the Executive to grow the Companies and their market position and to better reflect the Executive's value to the Companies;

WHEREAS, in connection with entering into the Agreement, the Companies and Executive intend to enter into that certain Employee Invention Assignment, Restrictive Covenants, and Confidentiality Agreement effective as of the Effective Date (such agreement, as it may be amended and/or restated, the "Covenants Agreement"), pursuant to which the Executive shall be subject to certain non-solicitation, confidentiality, proprietary rights and other restrictions, and which Covenants Agreement replaces and supersedes the existing Employee Invention Assignment, Restrictive Covenants and Confidentiality Agreement dated as of November 11, 2021 between the Company and the Executive;

WHEREAS, following consummation of the Merger, the Company anticipates that the Parent will grant the Executive an equity award as referenced herein; and

WHEREAS, the Executive acknowledges and agrees that the grant of the equity award, the severance benefits and the other benefits the Executive is receiving under this Agreement constitute new consideration and benefits to which the Executive is not otherwise entitled.

NOW, THEREFORE, in consideration of the mutual covenants, promises and obligations set forth herein, the parties agree as follows:

I. Term. Unless this Agreement shall sooner terminate pursuant to Section V of this Agreement, the initial term of this Agreement shall be one (1) year commencing on the Effective Date (the "Initial Term"). Following the Initial Term, this Agreement shall be deemed to be automatically renewed for a successive renewal period of six (6) months (the "Renewal Term"), unless the Board of Directors of the Parent (the "Board"), at least thirty (30) days prior to the expiration of the Initial Term, provides written notice to the Executive that this Agreement shall not be renewed. The period during which the Executive is employed pursuant to this Agreement, including during the Initial Term and any Renewal Term, shall be referred to as the "Term." If the Executive remains employed by the Company after the Term, then the Executive shall no longer be entitled to any severance payments or benefits under his Agreement and any severance rights the Executive may have shall be according to the terms and conditions established between the Company and the Executive from time to time.

II. Position and Duties.

A. Position. During the Term, the Executive shall serve as the Chief Commercial Officer of the Companies, reporting to the Chief Executive Officer of the Parent (the "CEO") and the Board. In such position, the Executive shall have such duties, authority and responsibilities as are consistent with the Executive's position and such duties, authority and responsibilities as shall be determined from time to time by the CEO and/or the Board and in accordance with applicable laws, rules and regulations ("Applicable Law"). The Executive shall, if requested, also serve as a member of the Board or as an officer or director of any Affiliate of the Companies for no additional compensation. For the purposes of the Agreement, an "Affiliate" shall mean a person or entity controlling, controlled by or under common control with the Company or the Parent.

B. Duties. During the Term, the Executive shall devote substantially all of the Executive's business time and attention to the performance of the Executive's duties hereunder and will not engage in any other business, profession or occupation for compensation or otherwise which would conflict or interfere with the performance of such services either directly or indirectly without the prior written consent of the Board. Notwithstanding the foregoing, the Executive will be permitted to (a) with the prior written consent of the Board (which consent can be withheld by the Board in its discretion) act or serve as a director, trustee, committee member or principal of any type of business, civic or charitable organization, and (b) purchase or own less than five percent (5%) of the publicly traded securities of any corporation; provided that such ownership represents a passive investment and that the Executive is not a controlling person of, or a member of a group that controls, such corporation; provided further that the activities described in clauses (a) and (b) of this Section II.B do not interfere with the performance of the Executive's duties and responsibilities to the Companies as provided hereunder, including, but not limited to, the obligations set forth in Section II herein.

III. Place of Performance. During the Term, the Executive shall be entitled to perform his or her duties primarily on a remote basis; provided that the Executive shall be required to travel on business for the Companies during the Term as necessary for the performance of the Executive's duties or as reasonably requested by the Companies; and provided further, that upon the establishment of new headquarters for the Companies, the Companies reserve the right to require the Executive to perform the Executive's duties at such headquarters, as deemed necessary or appropriate by the CEO or the Board from time to time. The Companies will offer relocation assistance subject to the terms of a separate relocation assistance agreement in the event the Executive relocates his or her residence to such new headquarters.

IV. Compensation.

A. Base Salary. The Companies shall pay the Executive an annual base salary of $290,000.00, payable in periodic installments in accordance with the Companies' customary payroll practices and applicable wage payment laws, and pro rated based on employment for any partial calendar year. The Executive's base salary shall be reviewed periodically by the Board and/or the Compensation Committee of the Board (the "Committee") and the Board and/or the Committee may, but shall not be required to, adjust the base salary during the Term. The Executive's annual base salary, as in effect from time to time, is hereinafter referred to as the "Base Salary."

B. Annual Bonus.

1. For each calendar year of the Term, the Executive will be eligible to receive an annual target bonus in an amount equal to one hundred percent (100%) of the Executive's Base Salary (each, an "Annual Bonus"), with an opportunity to receive a maximum bonus of 200% of Base Salary, based on the achievement of such performance factors and such other terms and conditions as may be established by the Board and/or the Committee; provided that, depending on results, the Executive's actual bonus may be higher or lower than the target bonus amount. For clarity, the decision to award any Annual Bonus and the amount and terms of any Annual Bonus shall be in the sole and absolute discretion of the Board or the Compensation Committee.

2. The Annual Bonus, if any, will be paid within two and a half (2-1/2) months after the end of the applicable calendar year or otherwise in a manner intended to be in accordance with or exempt from Section 409A ("Section 409A") of the Internal Revenue Code of 1986, as amended (the "Code"). Except as otherwise provided in Section V, (i) the Annual Bonus will be subject to any short-term incentive plan or program of the Companies under which it is granted, which short-term incentive plan or program shall be subject to such terms and conditions as may be determined by the Board and/or the Committee, and (ii) in order to be eligible to receive an Annual Bonus, the Executive must be employed by the Companies on the date that Annual Bonuses are paid.

C. Equity Awards. As soon as reasonably practicable following the Effective Date, the Company will recommend that the Board of Parent grant to the Executive an equity award (the "Initial Award") for such number of shares of the Parent's common stock (the "Common Stock") as may be determined by the Board and/or the Committee. The Initial Award shall include a performance-based vesting condition, pursuant to which (i) thirty percent (30%) of the number of shares of Common Stock subject to the Initial Award shall vest and, if applicable, become exercisable upon the market price of the Common Stock (as determined based on trading on Nasdaq or other applicable stock exchange) being equal to or exceeding $12.50 per share for thirty (30) consecutive trading days, and the remaining seventy percent (70%) of the number of shares of Common Stock subject to the Initial Award shall vest and, if applicable, become exercisable upon the market price of the Common Stock being equal to or exceeding $15.00 per share for thirty (30) consecutive trading days. The Initial Award shall be in such form and subject to such other terms and conditions as may be determined by the Board and/or the Committee. The Initial Award shall be subject to the Parent's 2023 Stock Incentive Plan (such plan, as it may be amended and/or restated, the "2023 Plan") and applicable award agreement which shall contain such terms and conditions as may be determined by the Board and/or the Committee. The grant of the Initial Award shall be contingent upon the effectiveness of the registration with the U.S. Securities and Exchange Commission (the "SEC") of the shares issuable under the 2023 Plan on a Form S-8 registration statement and compliance with other Applicable Law and shall be made as soon as practicable after the effectiveness of the Form S-8 registration statement. Following the grant of the Initial Award, during the Term the Executive shall be eligible to participate in the 2023 Plan or any successor stock incentive plan (collectively, such plans, as they may be amended and/or restated, the "Stock Plan") on such terms and conditions as may be determined by the Board and/or the Committee in its or their discretion. The grant of any such awards shall be subject to the terms of the Stock Plan and applicable award agreement which shall contain such terms and conditions as may be determined by the Board and/or the Committee.

D. Fringe Benefits and Perquisites. During the Term, the Executive shall be entitled to fringe benefits and perquisites consistent with the practices of the Companies and governing benefit plan requirements (including plan eligibility provisions), and to the extent the Companies provide similar benefits or perquisites (or both) to similarly situated executives of the Companies, subject to the Companies' authority to amend, modify or terminate such fringe benefits and perquisites at any time and from time to time.

E. Employee Benefits. During the Term, the Executive shall, to the extent eligible, be entitled to participate in the employee benefit plans, practices and programs maintained by the Companies, as in effect from time to time (collectively, the "Employee Benefit Plans"), on a basis which is no less favorable than is provided to other similarly situated executives of the Companies, to the extent consistent with Applicable Law and the terms of the applicable Employee Benefit Plans. The Companies reserve the right to amend, suspend, modify or terminate any Employee Benefit Plans at any time in its sole discretion, subject to the terms of such Employee Benefit Plan and Applicable Law.

F. Paid Time Off. The Executive is entitled to unlimited Paid Time Off ("PTO"), as long as the Executive fulfills his or her job duties. Such paid time shall include time off for sickness, vacation or personal reasons. The time or times during which leave may be taken shall be by mutual agreement of the Companies and the Executive. Whenever possible, the Companies agree to accommodate and grant the Executive's request for time. Since the Executive does not accrue PTO, the Companies will not compensate for any PTO upon termination of the Agreement.

G. Business Expenses. The Executive shall be entitled to reimbursement for all reasonable and necessary out-of-pocket business, entertainment, and travel expenses incurred by the Executive in connection with the performance of the Executive's duties hereunder in accordance with the Companies' expense reimbursement policies and procedures and Section XXI herein.

H. Clawback and Related Provisions. Notwithstanding any other provision in this Agreement to the contrary, any incentive-based or other compensation paid to the Executive under this Agreement or any other agreement, plan or arrangement with the Companies which is subject to recovery under any Applicable Law (including any SEC or stock exchange listing requirement) or any forfeiture, clawback or other policy adopted by the Companies will be subject to such forfeiture, deductions and clawback as may apply pursuant to such Applicable Law or any such policy, as applicable to the Executive from time to time. The Companies will make any determination for clawback or recovery in its or their sole discretion and in accordance with any Applicable Law. In addition, without limiting the effect of the foregoing, the Executive acknowledges and agrees that he or she shall be subject to, and shall abide by, any equity retention policy, stock ownership guidelines and/or other policies adopted by the Companies, each as in effect from time to time and to the extent applicable to the Executive.

V. Termination of Employment. The Term and the Executive's employment hereunder may be terminated by the Companies or the Executive at any time and for any reason; provided that, unless otherwise provided herein, either party shall be required to give the other party at least thirty (30) days' advance written notice of any termination of the Executive's employment. On termination of the Executive's employment during the Term, the Executive shall be entitled to the compensation and benefits described in this Section V and shall have no further rights to any compensation or any other benefits from the Companies or any other Affiliates of the Companies.

A. Termination For Cause or Without Good Reason.

1. The Executive's employment hereunder may be terminated by the Companies for Cause (as defined below) or by the Executive without Good Reason (as defined below). If the Executive's employment is terminated by the Companies for Cause, or by the Executive without Good Reason, the Executive shall be entitled to receive:

a. any accrued but unpaid Base Salary, which shall be paid in accordance with the Companies' customary payroll procedures within thirty (30) days following the Termination Date (as defined below);

b. reimbursement for unreimbursed business expenses properly incurred by the Executive, which shall be subject to and paid in accordance with the Companies' expense reimbursement policy and Section XXI herein; and

c. such employee benefits, if any, to which the Executive may be entitled under the Companies' employee benefit plans as of the Termination Date; provided that, in no event shall the Executive be entitled to any payments in the nature of severance or termination payments except as specifically provided herein.

d. The treatment of any outstanding equity awards granted to the Executive shall be subject to the terms of the Stock Plan and applicable award agreements.

Items V.A.1.a through V.A.1.c are referred to herein collectively as the "Accrued Amounts".

2. For purposes of this Agreement, "Cause" shall mean:

a. the Executive's willful or material failure to perform Executive's duties (other than any such failure resulting from incapacity due to physical or mental illness);

b. the Executive's willful failure to comply with any valid and legal directive of the Board (or, if applicable, the person or entity to whom the Executive reports);

c. the Executive's engagement in dishonesty, illegal conduct or other misconduct, which is, in each case, materially injurious to the Companies or their Affiliates;

d. the Executive's embezzlement, misappropriation or fraud, whether or not related to the Executive's employment with the Companies;

e. the Executive's conviction of or plea of guilty or nolo contendere to a crime that constitutes a felony (or state law equivalent) or a crime that constitutes a misdemeanor involving moral turpitude;

f. the Executive's material violation of the Companies' written policies or codes of conduct, including but not limited to written policies related to discrimination, harassment, performance of illegal or unethical activities and ethical misconduct;

g. the Executive's material breach of any material obligation under this Agreement, the Covenants Agreement or any other written agreement between the Executive and the Companies;

h. the Executive's engagement in conduct that brings or is reasonably likely to bring the Companies negative publicity or into public disgrace, embarrassment or disrepute; or

i. the knowing misstatement by the Executive of the financial records of the Companies or complicit actions in respect thereof, or knowing failure to disclose material financial or other information to the Board, or the Executive's engagement in conduct that results in the Executive's obligation to reimburse the either of the Companies for the amount of any bonus, incentive-based compensation, equity-based compensation, profits realized from the sale of the Parent's securities or other compensation pursuant to application of the provisions of Section 304 of the Sarbanes-Oxley Act of 2002, Section 954 of the Dodd-Frank Wall Street Reform and Consumer Protection Act or other Applicable Law or pursuant to any clawback or recoupment policy, plan or agreement of either of the Companies.

For purposes of this provision, no act or failure to act on the part of the Executive shall be considered "willful" unless it is done, or omitted to be done, by the Executive in bad faith or without reasonable belief that the Executive's action or omission was in the best interests of the Companies. Any act, or failure to act, based on authority given pursuant to a resolution duly adopted by the Board or on the advice of counsel for the Companies shall be conclusively presumed to be done, or omitted to be done, by the Executive in good faith and in the best interests of the Companies.

Termination of the Executive's employment shall not be deemed to be for Cause unless and until the Companies deliver to the Executive a copy of a resolution duly adopted by the affirmative vote of not less than a majority of the Board (excluding the Executive if applicable) (after reasonable written notice is provided to the Executive and the Executive is given an opportunity, together with counsel, to be heard before the Board), finding that the Executive has engaged in the conduct described in any of (a)-(i) above. Except for a failure, breach or refusal which, in the Board's reasonable discretion, is not subject to cure or cannot reasonably be expected to be cured, in which case no cure period shall be required, the Executive shall have twenty (20) days from the delivery of written notice by the Companies within which to cure any acts constituting Cause. The Companies may place the Executive on paid leave for up to sixty (60) days while determining whether there is a basis to terminate the Executive's employment for Cause. Any such action by the Companies will not constitute Good Reason.

3. For purposes of this Agreement, "Good Reason" shall mean the occurrence of any of the following, in each case during the Term without the Executive's written consent:

a. a material reduction in the Executive's Base Salary (other than a reduction in Base Salary that affects all similarly situated executives in substantially the same proportions);

b. any material and adverse breach by the Companies of any material provision of this Agreement (it being expressly understood that the Companies' decision not to renew the Agreement pursuant to Section I herein shall not constitute a breach of this Agreement or Good Reason); or

c. a material and adverse change in the Executive's title, authority, duties, reporting relationships or responsibilities (other than temporarily while the Executive is physically or mentally incapacitated or as required by Applicable Law).

The Executive cannot terminate employment for Good Reason unless the Executive has provided written notice to the Companies of the existence of the circumstances providing grounds for termination for Good Reason within fifteen (15) days of the Executive's initial knowledge of such grounds and the Companies have had at least thirty (30) days from the date on which such notice is provided to cure such circumstances, and the Companies fail to cure such grounds within that thirty (30)-day period. If the Executive does not terminate employment for Good Reason within sixty (60) days after the Executive's first knowledge of the applicable grounds, then the Executive will be deemed to have waived the right to terminate for Good Reason with respect to such grounds.

B. Without Cause or for Good Reason. The Term and the Executive's employment hereunder may be terminated by the Executive for Good Reason or by the Companies without Cause. In the event of such termination, the Executive shall be entitled to receive the Accrued Amounts and, subject to the Executive's compliance with the Covenants Agreements and the Executive's execution of a release of claims in favor of the Companies, its or their Affiliates and its or their respective officers and directors in a form provided by the Companies (the "Release") and such Release becoming effective within sixty (60) days following the Termination Date (such sixty (60)-day period, the "Release Execution Period"), the Executive shall be entitled to receive the following:

1. a severance payment equal to one (1) times the sum of the Executive's then-current Base Salary (prior to a material reduction described in Section V.A.3.a above) for the year in which the Termination Date occurs, which shall be paid on the Companies' regular payroll dates over a period of twelve (12) months, beginning with the first regular payroll date that occurs on or after sixty (60) days following the Termination Date; provided that, if the Release Execution Period begins in one taxable year and ends in another taxable year, payment shall not be made until the beginning of the second taxable year.

2. If the Executive timely and properly elects health continuation coverage under the Consolidated Omnibus Budget Reconciliation Act of 1985 ("COBRA"), the Companies shall reimburse the Executive for a portion of the monthly COBRA premium paid by the Executive for the Executive and the Executive's dependents equal to the monthly employer contribution that the Company would have made to provide health insurance to the Executive if the Executive had remained employed by the Company. Such reimbursement shall be paid to the Executive on the thirtieth (30th) day of the month immediately following the month in which the Executive timely remits the premium payment. The Executive shall be eligible to receive such reimbursement until the earliest of: (i) the twelve (12)-month anniversary of the Termination Date; (ii) the date the Executive is no longer eligible to receive COBRA continuation coverage; and (iii) the date on which the Executive becomes eligible to receive substantially similar coverage from another employer or other source. Notwithstanding the foregoing, if the Companies' making payments under this Section V.B would violate the nondiscrimination rules applicable to non-grandfathered plans under the Affordable Care Act (the "ACA"), or result in the imposition of penalties under the ACA and the related regulations and guidance promulgated thereunder), the parties agree to reform this Section V.B in a manner as is necessary to comply with the ACA.

3. If the Executive is not a participant in a health insurance plan offered by the Companies as of the Termination Date, the Companies shall reimburse the Executive for a portion of the reasonable and documented monthly premium paid by the Executive to maintain different health insurance for the Executive and the Executive's dependents in an amount no greater than would have been provided to the Executive if the Executive had elected COBRA continuation coverage under Section V.B, for a participant in the "base" health insurance plan offered by the Company. Such reimbursement shall be paid to the Executive on the thirtieth (30th) day of the month immediately following the month in which the Executive submits documentation to the Company of the Executive's timely remittance of the premium payment. The Executive shall be eligible to receive such reimbursement until the earliest of: (i) the twelve (12)-month anniversary of the Termination Date and (ii) the date on which the Executive becomes eligible to receive substantially similar coverage from another employer or other source.

4. The treatment of any outstanding equity awards shall be determined in accordance with the terms of the Stock Plan and applicable award agreements.

C. Death or Disability.

1. The Executive's employment hereunder shall terminate automatically on the Executive's death during the Term, and the Companies may terminate the Executive's employment on account of the Executive's Disability.

2. If the Executive's employment is terminated during the Term on account of the Executive's death or Disability, the Executive (or the Executive's estate and/or beneficiary, as the case may be) shall be entitled to receive the following:

   a. the Accrued Amounts; and

   b. in the case of Disability, and subject to execution by the Executive (or his or her personal representative if applicable) of the Release and the Executive's compliance with the Covenants Agreement, a severance payment equal to one (1) times the Executive's Base Salary for the year in which the Termination Date occurs, which shall be paid on the Companies' regular payroll dates over a period of twelve (12) months, beginning with the first regular payroll date that occurs on or after sixty (60) days following the Termination Date; provided that, if the Release Execution Period begins in one taxable year and ends in another taxable year, payment shall not be made until the beginning of the second taxable year.

   Notwithstanding any other provision contained herein, all payments made in connection with the Executive's Disability shall be provided in a manner which is consistent with federal and state law.

3. For purposes of this Agreement, "Disability" shall mean the Executive's inability to perform the essential duties of the Executive's position, with or without any reasonable accommodations, because of the Executive's mental or physical illness, injury, impairment or incapacity, as interpreted and applied consistent with the Americans with Disabilities Act and other Applicable Law, for a period in excess of ninety (90) consecutive days in any calendar year. The Committee shall exercise reasonable discretion to determine if a Disability has occurred.

4. The treatment of any outstanding equity awards shall be determined in accordance with the terms of the Stock Plan and applicable award agreements.

CI. Notice of Termination. Any termination of the Executive's employment hereunder by the Companies or by the Executive during the Term (other than termination pursuant to Section V.C.1 on account of the Executive's death) shall be communicated by written notice of termination ("Notice of Termination") to the other party hereto in accordance with Section XXIV. The Notice of Termination shall specify:

1. The termination provision of this Agreement relied upon;

2. To the extent applicable, the facts and circumstances claimed to provide a basis for termination of the Executive's employment under the provision so indicated; and

3. The applicable Termination Date.

E. Termination Date. The Executive's "Termination Date" shall be:

1. If the Executive's employment hereunder terminates on account of the Executive's death, the date of the Executive's death;

2. If the Executive's employment hereunder is terminated following the Executive's Disability, the date that it is determined by the Committee that the Executive has terminated employment following a Disability;

3. If the Executive's employment hereunder is terminated for Cause, the date the Notice of Termination is delivered to the Executive;

4. If Executive's employment hereunder is terminated without Cause, the date specified in the Notice of Termination, which shall be no less than thirty (30) days following the date on which the Notice of Termination is delivered; provided that, the Companies shall have the option to instruct the Executive not to perform any further work after receiving the Notice of Termination (but the Executive shall continue to receive compensation and benefits under this Agreement through the date of termination);

5. If the Executive terminates the Executive's employment hereunder without Good Reason, the date specified in the Executive's Notice of Termination, which shall be no less than thirty (30) days following the date on which the Notice of Termination is delivered; provided that, the Companies may waive all or any part of the thirty (30)-day notice period for no consideration by giving written notice to the Executive and for all purposes of this Agreement, the Executive's Termination Date shall be the date determined by the Company; and

6. If the Executive terminates the Executive's employment hereunder with Good Reason, the date the Executive's Notice of Termination is delivered to the Company.

Notwithstanding anything contained herein, the Termination Date shall not occur until the date on which the Executive incurs a "separation from service" within the meaning of Section 409A.

F. Mitigation. In no event shall the Executive be obligated to seek other employment or take any other action by way of mitigation of the amounts payable to the Executive under any of the provisions of this Agreement and except as provided in Section V.B.2, any amounts payable pursuant to this Section V shall not be reduced by compensation the Executive earns on account of employment with another employer.

G. Resignation of All Other Positions. On termination of the Executive's employment hereunder for any reason, the Executive agrees to resign, and shall be deemed to have resigned, effective on the Termination Date, from all positions that the Executive holds as an officer or member of the Board (or a committee thereof) of the Parent, and the board (or a committee thereof) of the Company and any other Affiliates of the Companies.

H. Section 280G.

1. If any of the payments or benefits received or to be received by the Executive (including, without limitation, any payment or benefits received in connection with a change of control or the Executive's termination of employment, whether pursuant to the terms of this Agreement or any other plan, arrangement or agreement, or otherwise) (all such payments collectively referred to herein as the "280G Payments") constitute "parachute payments" within the meaning of Section 280G of the Code and would, but for this Section V.H, be subject to the excise tax imposed under Section 4999 of the Code (the "Excise Tax"), then prior to making the 280G Payments, a calculation shall be made comparing (i) the Net Benefit (as defined below) to the Executive of the 280G Payments after payment of the Excise Tax to (ii) the Net Benefit to the Executive if the 280G Payments are limited to the extent necessary to avoid being subject to the Excise Tax. Only if the amount calculated under (i) above is less than the amount under (ii) above will the 280G Payments be reduced to the minimum extent necessary to ensure that no portion of the 280G Payments is subject to the Excise Tax. "Net Benefit" shall mean the present value of the 280G Payments net of all federal, state, local, foreign income, employment, and excise taxes. Any reduction made pursuant to this Section V.H shall be made in a manner determined by the Companies that is consistent with the requirements of Section 409A.

2. All calculations and determinations under this Section V.H shall be made by an independent accounting firm or independent tax counsel appointed by the Companies (the "Tax Counsel") whose determinations shall be conclusive and binding on the Companies and the Executive for all purposes. For purposes of making the calculations and determinations required by this Section V.H, the Tax Counsel may rely on reasonable, good faith assumptions and approximations concerning the application of Section 280G and Section 4999 of the Code. The Companies and the Executive shall furnish the Tax Counsel with such information and documents as the Tax Counsel may reasonably request in order to make its determinations under this Section V.H. The Companies shall bear all costs the Tax Counsel may reasonably incur in connection with its services.

CII. Compliance with Restrictive Covenants. The Executive acknowledges and agrees that the Companies' obligation to pay any benefits under Section V, other than the Accrued Amounts, is contingent upon the Executive's compliance with the Covenants Agreement and any other restrictive covenants that are applicable to the Executive. Notwithstanding any other provision to the contrary in the Agreement, in the event the Executive fails or ceases to fully abide by the Covenants Agreement or any other restrictive covenants applicable to the Executive, whether or not any such covenant(s) are ultimately deemed to be invalid or unenforceable, then the Executive acknowledges and agrees that Executive shall not be eligible to receive, and will forfeit, any and all benefits under Section V other than the Accrued Amounts, except that the Executive will be entitled to $1,000 of the severance benefits provided under Section V. If the Executive has already received any such severance benefits provided in Section V (other than the Accrued Amounts) at the time the Executive violates any such covenant, whether or not the covenants are ultimately deemed invalid or unenforceable as set forth in the preceding sentence, then, in addition to any rights of the Companies under Section IV.H herein, the Executive is deemed to have acknowledged that the Companies will immediately be entitled to recover all such gross amounts in full from the Executive, except that the Executive may retain $1,000 of such severance benefits.

CIII. Protected Rights. Notwithstanding anything in the Agreement or the Covenants Agreement to the contrary, (i) nothing in the Agreement, including but not limited to any release provided under the Agreement, or other agreement prohibits the Executive from reporting possible violations of law or regulation to any governmental agency or entity, including but not limited to the Department of Justice, the SEC, the Congress and any agency Inspector General (the "Government Agencies"), or communicating with the Government Agencies or otherwise participating in any investigation or proceedings that may be conducted by the Government Agencies, including providing documents or other information, or engaging in any concerted activities or other actions as protected by the National Labor Relations Act; (ii) the Executive does not need the prior authorization of the Companies to take any action described in (i), and the Executive is not required to notify the Companies that he or she has taken any action described in (i); and (iii) neither the Agreement nor such release limits the Executive's right to receive an award for providing information relating to a possible securities law violation to the SEC. Further, notwithstanding the foregoing, the Executive shall not be held criminally or civilly liable under any federal, state, or local trade secret law for the disclosure of a trade secret that (x) is made (A) in confidence to a federal, state, or local official, either directly or indirectly, or to an attorney; and (B) solely for the purpose of reporting or investigating a suspected violation or law; or (y) is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal. Additionally, an individual suing an employer for retaliation based on the reporting of a suspected violation of law may disclose a trade secret to his or her attorney and use the trade secret information in the court proceeding, so long as any document containing the trade secret is filed under seal and the individual does not disclose the trade secret except pursuant to court order.

CIV. Non-Disparagement. Subject to Executive's protected rights under Section VII hereof and Applicable Law, the Executive covenants and agrees that, during the term of the Executive's employment and thereafter, the Executive shall not make any disparaging remarks, or any remarks that could reasonably be construed as disparaging, regarding the Companies or its or their Affiliates, or its or their officers, directors, employees, stockholders, representatives or agents. The Companies shall, except to the extent otherwise required by Applicable Law or as appropriate in the exercise of the fiduciary duties of the Board or the board of directors of the Company (as determined by the Board or the board of directors of the Company, with advice of counsel), as applicable, exercise reasonable efforts to cause the following individuals to refrain from making, and refrain from instructing or encouraging others to make, any disparaging statements, orally or in writing, regarding the Executive from and after the termination of the Executive's employment: the Companies' executive officers and the members of the Board.

CV. Non-Diversion of Business Opportunity. During the Executive's employment with the Companies and consistent with the Executive's duties and fiduciary obligations to the Companies, the Executive shall (i) disclose to the Companies any business opportunity that comes to the Executive's attention during the Executive's employment with the Companies and that relates to the business of the Companies or otherwise arises as a result of the Executive's employment with the Companies, and (ii) not take advantage of or otherwise divert any such opportunity for the Executive's own benefit or that of any other person or entity without prior written consent of the Companies.

CVI. Cooperation. The parties agree that certain matters in which the Executive will be involved during the Term may necessitate the Executive's cooperation in the future. Accordingly, following the termination of the Executive's employment for any reason, to the extent reasonably requested by the Board, the Executive shall cooperate with the Companies in connection with matters arising out of the Executive's service to the Companies; provided that, the Companies shall make reasonable efforts to minimize disruption of the Executive's other activities. The Companies shall reimburse the Executive for reasonable expenses incurred in connection with such cooperation and, to the extent that the Executive is required to spend substantial time on such matters, the Companies shall provide reasonable compensation to the Executive for such services.

CVII. Acknowledgement. The Executive acknowledges and agrees that the services to be rendered by the Executive to the Companies are of a special and unique character; that the Executive will obtain knowledge and skill relevant to the Companies' industry, methods of doing business and marketing and other strategies by virtue of the Executive's employment; and that the restrictive covenants and other terms and conditions of this Agreement and the Covenants Agreement are reasonable and reasonably necessary to protect the legitimate business interest of the Companies.

CVIII. Remedies. In the event of a breach or threatened breach by the Executive of the Agreement or the Covenants Agreement, the Executive hereby consents and agrees that the Companies shall be entitled to seek, in addition to other available remedies, a temporary or permanent injunction or other equitable relief against such breach or threatened breach from any court of competent jurisdiction, and that money damages would not afford an adequate remedy, without the necessity of showing any actual damages, and without the necessity of posting any bond or other security. The aforementioned equitable relief shall be in addition to, not in lieu of, legal remedies, monetary damages or other available forms of relief.

CIX. Arbitration. Any dispute, controversy, or claim arising out of or related to this Agreement or any breach of this Agreement or the Executive's employment, whether the claim arises in contract, tort, or statute, shall be submitted to and decided by binding arbitration. Executive and the Companies expressly acknowledge and agree that by entering into this Agreement, Executive and the Companies waive any right to a jury trial on any dispute or claim that is subject to binding arbitration under this Agreement. Any arbitration under this Agreement shall be conducted pursuant to the Employment Arbitration Rules and Mediation Procedures of the American Arbitration Association ("AAA") then in effect. Any arbitration shall be heard before a single arbitrator and shall be held in Atlanta, Georgia. Unless otherwise agreed, the costs and expenses of arbitration, including compensation and expenses of the arbitrator, shall be borne by the parties in accordance with AAA rules. Each party will bear its own attorneys' fees, and the arbitrator will not have authority to award attorneys' fees unless a statutory section at issue in the dispute or this Agreement authorizes the award of attorneys' fees to the prevailing party, in which case the arbitrator has authority to make such award as permitted by the statute in question. The parties agree that any arbitration award shall be enforceable in any court of competent jurisdiction. Notwithstanding the foregoing, nothing in this Section XIII shall prohibit either party from seeking provisional remedies, including without limitation preliminary injunctions and temporary restraining orders, in a court of competent jurisdiction.

CX. Return of Property of the Companies. Upon any voluntary or involuntary termination of the Executive's employment (or at any time upon request of the Companies), the Executive shall immediately surrender and return to the Companies all property of or relating to the Companies (including, without limitation, all records, notes, documents, forms, manuals, photographs, instructions, lists, drawings, blueprints, programs, diagrams, equipment, supplies, electronic files, passwords, log-in credentials, client-related and other records, notes, materials, computer-generated or computer-retrievable data or other data, computer disks, software or other written, printed or electronic material, which pertain to the business of the Companies or that may or may not relate to or otherwise comprise or contain confidential information or trade secrets, as defined in the Covenants Agreement) that the Executive created, used, possessed, had access to or maintained while working for the Companies from whatever source and whenever created, including all reproductions or excerpts thereof. This provision does not apply to purely personal documents of the Executive, but it does apply to business calendars, customer lists, contact information, computer programs, laptops, computers, cell phones, smartphones, personal digital assistants, disks and their contents and like information that may contain some personal matters of the Executive. The Executive acknowledges that title to all such property is vested in the Companies. The Executive expressly agrees that the Companies, upon termination of the Executive's employment or at any time upon request of the Companies, may have access to and review any computer(s), smart phones or similar equipment utilized by the Executive at least in part for the Companies' businesses, whether owned by the Executive or by the Companies, to determine if there is any business-related information thereon, and the Companies may require that any such information be deleted if it determines that such is in the best interests of the Companies.

CXI. Governing Law: Jurisdiction and Venue. This Agreement, for all purposes, shall be construed in accordance with the laws of Delaware without regard to conflicts of law principles. Any action or proceeding by either of the parties to enforce this Agreement that is not subject to the mandatory arbitration provision in Section XIII shall be brought only in a state or federal court located in the state of Delaware. The parties hereby irrevocably submit to the exclusive jurisdiction of such courts and waive the defense of inconvenient forum to the maintenance of any such action or proceeding in such venue.

CXII. Entire Agreement. Unless specifically provided herein, this Agreement contains all of the understandings and representations between the Executive and the Companies pertaining to the subject matter hereof and supersedes all prior and contemporaneous understandings, agreements, representations, and warranties, both written and oral, with respect to such subject matter. The parties mutually agree that the Agreement can be specifically enforced in court and can be cited as evidence in legal proceedings alleging breach of the Agreement.

CXIII. Modification and Waiver. No provision of this Agreement may be amended or modified unless such amendment or modification is agreed to in writing and signed by the Executive and an authorized officer of each of the Parent and the Company. No waiver by any of the parties of any breach by another party hereto of any condition or provision of this Agreement to be performed by another party hereto shall be deemed a waiver of any similar or dissimilar provision or condition at the same or any prior or subsequent time, nor shall the failure of or delay by any of the parties in exercising any right, power, or privilege hereunder operate as a waiver thereof to preclude any other or further exercise thereof or the exercise of any other such right, power or privilege.

CXIV. Severability. Should any provision of this Agreement be held by a court of competent jurisdiction to be enforceable only if modified, or if any portion of this Agreement shall be held as unenforceable and thus stricken, such holding shall not affect the validity of the remainder of this Agreement, the balance of which shall continue to be binding upon the parties with any such modification to become a part hereof and treated as though originally set forth in this Agreement.

The parties further agree that any such court is expressly authorized to modify any such unenforceable provision of this Agreement in lieu of severing such unenforceable provision from this Agreement in its entirety, whether by rewriting the offending provision, deleting any or all of the offending provision, adding additional language to this Agreement, or by making such other modifications as it deems warranted to carry out the intent and agreement of the parties as embodied herein to the maximum extent permitted by law.

The parties expressly agree that this Agreement as so modified by the court shall be binding upon and enforceable against each of them. In any event, should one or more of the provisions of this Agreement be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provisions hereof, and if such provision or provisions are not modified as provided above, this Agreement shall be construed as if such invalid, illegal, or unenforceable provisions had not been set forth herein.

CXV. Captions; Construction. Captions and headings of the sections and paragraphs of this Agreement are intended solely for convenience and no provision of this Agreement is to be construed by reference to the caption or heading of any section or paragraph. For clarity, reference to the “Companies” includes the Parent and the Company unless the context otherwise requires.

CXVI. Counterparts. This Agreement may be executed in separate counterparts, each of which shall be deemed an original, but all of which taken together shall constitute one and the same instrument.

CXVII. Section 409A. Notwithstanding any other provision in the Agreement to the contrary, if and to the extent that Section 409A is deemed to apply to any benefit under the Agreement, it is the general intention of the Companies that such benefits shall, to the extent practicable, comply with, or be exempt from, Section 409A, and the Agreement shall, to the extent practicable, be construed in accordance therewith. Deferrals of benefits distributable pursuant to the Agreement that are otherwise exempt from Section 409A in a manner that would cause Section 409A to apply shall not be permitted unless such deferrals are in compliance with or otherwise exempt from Section 409A. In the event that the Companies (or a successors thereto) have any stock which is publicly traded on an established securities market or otherwise and the Executive is determined to be a "specified employee" (as defined under Section 409A), any payment of deferred compensation subject to Section 409A to be made to the Executive upon a separation from service may not be made before the date that is six months after the Executive's separation from service (or death, if earlier). To the extent that the Executive becomes subject to the six-month delay rule, all payments of deferred compensation subject to Section 409A that would have been made to the Executive during the six months following his or her separation from service, if any, will be accumulated and paid to the Executive during the seventh month following his or her separation from service, and any remaining payments due will be made in their ordinary course as described in the Agreement. For the purposes herein, the phrase "termination of employment" or similar phrases will be interpreted in accordance with the term "separation from service" as defined under Section 409A if and to the extent required under Section 409A. Whenever payments under the Agreement are to be made in installments, each such installment shall be deemed to be a separate payment for purposes of Section 409A. To the extent not otherwise specified in the Agreement, all (A) reimbursements and (B) in-kind benefits provided under the Agreement shall be made or provided in accordance with the requirements of Section 409A, including, where applicable, the requirement that (1) any reimbursement is for expenses incurred during the Executive's lifetime (or during a shorter period of time specified in the Agreement); (2) the amount of expenses eligible for reimbursement, or in kind benefits provided, during a calendar year may not affect the expenses eligible for reimbursement, or in kind benefits to be provided, in any other calendar year; (3) the reimbursement of an eligible expense shall be made no later than the last day of the calendar year following the year in which the expense is incurred; and (4) the right to reimbursement or in kind benefits is not subject to liquidation or exchange for another benefit. Further, (i) in the event that Section 409A requires that any special terms, provisions, or conditions be included in the Agreement, then such terms, provisions and conditions shall, to the extent practicable, be deemed to be made a part of the Agreement, and (ii) terms used in the Agreement shall be construed in accordance with Section 409A if and to the extent required. Neither the Companies, its or their Affiliates, the Board, the Committee, the board of directors of the Company, nor its or their designees or agents makes any representations that the payments and benefits provided under the Agreement comply with Section 409A, and in no event will the Companies, its or their Affiliates, the Board, the Committee, the board of directors of the Company, nor its or their designees or agents be liable for all or any portion of any taxes, penalties, interest or other expenses that may be incurred by the Executive (or any person claiming through him or her) on account of non-compliance with Section 409A. Any payments that qualify for the "short-term deferral" exception or another exception under Code Section 409A shall be paid under the applicable exception.

CXVIII. Notification to Subsequent Employer. When the Executive's employment with the Companies terminates, the Executive agrees to notify any subsequent employer of any restrictive covenants that apply pursuant to this Agreement or the Covenants Agreement. The Executive will also deliver a copy of such notice to the Companies before the Executive commences employment with any subsequent employer. In addition, the Executive authorizes the Companies to provide a copy of any restrictive covenant provisions under this Agreement or the Covenants Agreement to third parties, including but not limited to, the Executive's subsequent, anticipated or possible future employer.

CXIX. Successors and Assigns. This Agreement is personal to the Executive and shall not be assigned by the Executive. Any purported assignment by the Executive shall be null and void from the initial date of the purported assignment. The Companies may assign this Agreement and its rights, together with its obligations, hereunder, to any successor or assign (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of the business or assets of the Companies, as applicable. This Agreement shall inure to the benefit of the Companies and its or their permitted successors and assigns.

CXX. Notice. Notices provided for in this Agreement shall be in writing and shall be delivered personally or sent by registered or certified mail, return receipt requested, or by overnight carrier to the parties at the addresses set forth below (or such other addresses as specified by the parties by like notice):

If to the Parent:

Volato Group, Inc.
1954 Airport Road, Suite 124
Chamblee, GA 30341
Attn: Secretary

If to the Company:

Volato, Inc.
1954 Airport Road, Suite 124
Chamblee, GA 30341
Attn: Secretary

If to the Executive:

15400 SE 44th Place
Bellevue, WA 98006
Attn: Nicholas Cooper

CXXI. Representations of the Executive. The Executive represents and warrants to the Companies that:

1. The Executive's continued employment with the Companies and the performance of duties hereunder will not conflict with or result in a violation of, a breach of, or a default under any contract, agreement or understanding to which the Executive is a party or is otherwise bound.

2. The Executive's continued employment with the Companies and the performance of duties hereunder will not violate any non-solicitation, non-competition or other similar covenant or agreement of a prior employer.

CXXII. Withholding. The Companies shall have the right to withhold from any amount payable hereunder any federal, state and local taxes in order for the Companies to satisfy any withholding tax obligation it may have under any Applicable Law.

CXXIII. Survival. Upon the expiration or other termination of this Agreement, the respective rights and obligations of the parties hereto shall survive such expiration or other termination to the extent necessary to carry out the intentions of the parties under this Agreement.

CXXIV. Acknowledgement of Full Understanding. THE EXECUTIVE ACKNOWLEDGES AND AGREES THAT THE EXECUTIVE HAS FULLY READ, UNDERSTANDS AND VOLUNTARILY ENTERS INTO THIS AGREEMENT. THE EXECUTIVE ACKNOWLEDGES AND AGREES THAT THE EXECUTIVE HAS HAD AN OPPORTUNITY TO ASK QUESTIONS AND CONSULT WITH AN ATTORNEY OF THE EXECUTIVE'S CHOICE BEFORE SIGNING THIS AGREEMENT.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first above written.

Volato Group, Inc. (Parent):
By: /s/Matthew Liotta
Name: Matthew Liotta
Title: Chief Executive Officer

Volato, Inc. (Company):
By: /s/Matthew Liotta
Name: Matthew Liotta
Title: Chief Executive Officer

EXECUTIVE
Signature: /s/Nicholas Cooper
Name: Nicholas Cooper

Exhibit 10.4

Employment Agreement

This Employment Agreement (the "Agreement") is made and entered into as of December 1, 2023, by and among Steven Drucker (the "Executive"), Volato Group, Inc. (fka PROOF Acquisition Corp I, the "Parent"), and Volato, Inc. (the "Company," and together with the Parent, the "Companies").

WHEREAS, pursuant to the terms of that certain Business Combination Agreement, dated August 1, 2023, by and among the Parent, PACI Merger Sub, Inc., and the Company, the Company will become a wholly-owned subsidiary of the Parent following the closing of the transaction (such transactions collectively the "Merger");

WHEREAS, the Executive has been employed by the Company since September 5, 2022 and currently serves as Chief Technology Officer of the Company;

WHEREAS, in connection with the Merger, the parties desire to enter into this Agreement in order to promote the Executive's retention and service following the closing date of the Merger (the "Effective Date"), to incentivize the Executive to grow the Companies and their market position and to better reflect the Executive's value to the Companies;

WHEREAS, in connection with entering into the Agreement, the Companies and Executive intend to enter into that certain Employee Invention Assignment, Restrictive Covenants, and Confidentiality Agreement effective as of the Effective Date (such agreement, as it may be amended and/or restated, the "Covenants Agreement"), pursuant to which the Executive shall be subject to certain non-solicitation, confidentiality, proprietary rights and other restrictions, and which Covenants Agreement replaces and supersedes the existing Employee Invention Assignment, Restrictive Covenants and Confidentiality Agreement dated as of August 30, 2022 between the Company and the Executive;

WHEREAS, following consummation of the Merger, the Company anticipates that the Parent will grant the Executive an equity award as referenced herein; and

WHEREAS, the Executive acknowledges and agrees that the grant of the equity award, the severance benefits and the other benefits the Executive is receiving under this Agreement constitute new consideration and benefits to which the Executive is not otherwise entitled.

NOW, THEREFORE, in consideration of the mutual covenants, promises and obligations set forth herein, the parties agree as follows:

I. Term. Unless this Agreement shall sooner terminate pursuant to Section V of this Agreement, the initial term of this Agreement shall be one (1) year commencing on the Effective Date (the "Initial Term"). Following the Initial Term, this Agreement shall be deemed to be automatically renewed for a successive renewal period of six (6) months (the "Renewal Term"), unless the Board of Directors of the Parent (the "Board"), at least thirty (30) days prior to the expiration of the Initial Term, provides written notice to the Executive that this Agreement shall not be renewed. The period during which the Executive is employed pursuant to this Agreement, including during the Initial Term and any Renewal Term, shall be referred to as the "Term." If the Executive remains employed by the Company after the Term, then the Executive shall no longer be entitled to any severance payments or benefits under his Agreement and any severance rights the Executive may have shall be according to the terms and conditions established between the Company and the Executive from time to time.

II. Position and Duties.

A. Position. During the Term, the Executive shall serve as the Chief Technology Officer of the Companies, reporting to the Chief Executive Officer of the Parent (the "CEO") and the Board. In such position, the Executive shall have such duties, authority and responsibilities as are consistent with the Executive's position and such duties, authority and responsibilities as shall be determined from time to time by the CEO and/or the Board and in accordance with applicable laws, rules and regulations ("Applicable Law"). The Executive shall, if requested, also serve as a member of the Board or as an officer or director of any Affiliate of the Companies for no additional compensation. For the purposes of the Agreement, an "Affiliate" shall mean a person or entity controlling, controlled by or under common control with the Company or the Parent.

B. Duties. During the Term, the Executive shall devote substantially all of the Executive's business time and attention to the performance of the Executive's duties hereunder and will not engage in any other business, profession or occupation for compensation or otherwise which would conflict or interfere with the performance of such services either directly or indirectly without the prior written consent of the Board. Notwithstanding the foregoing, the Executive will be permitted to (a) with the prior written consent of the Board (which consent can be withheld by the Board in its discretion) act or serve as a director, trustee, committee member or principal of any type of business, civic or charitable organization, and (b) purchase or own less than five percent (5%) of the publicly traded securities of any corporation; provided that such ownership represents a passive investment and that the Executive is not a controlling person of, or a member of a group that controls, such corporation; provided further that the activities described in clauses (a) and (b) of this Section II.B do not interfere with the performance of the Executive's duties and responsibilities to the Companies as provided hereunder, including, but not limited to, the obligations set forth in Section II herein.

III. Place of Performance. During the Term, the Executive shall be entitled to perform his or her duties primarily on a remote basis; provided that the Executive shall be required to travel on business for the Companies during the Term as necessary for the performance of the Executive's duties or as reasonably requested by the Companies; and provided further, that upon the establishment of new headquarters for the Companies, the Companies reserve the right to require the Executive to perform the Executive's duties at such headquarters, as deemed necessary or appropriate by the CEO or the Board from time to time. The Companies will offer relocation assistance subject to the terms of a separate relocation assistance agreement in the event the Executive relocates his or her residence to such new headquarters.

IV. Compensation.

A. Base Salary. The Companies shall pay the Executive an annual base salary of $220,000.00, payable in periodic installments in accordance with the Companies' customary payroll practices and applicable wage payment laws, and pro rated based on employment for any partial calendar year. The Executive's base salary shall be reviewed periodically by the Board and/or the Compensation Committee of the Board (the "Committee") and the Board and/or the Committee may, but shall not be required to, adjust the base salary during the Term. The Executive's annual base salary, as in effect from time to time, is hereinafter referred to as the "Base Salary."

B. Annual Bonus.

1. For each calendar year of the Term, the Executive will be eligible to receive an annual target bonus in an amount equal to one hundred percent (100%) of the Executive's Base Salary (each, an "Annual Bonus"), with an opportunity to receive a maximum bonus of 200% of Base Salary, based on the achievement of such performance factors and such other terms and conditions as may be established by the Board and/or the Committee; provided that, depending on results, the Executive's actual bonus may be higher or lower than the target bonus amount. For clarity, the decision to award any Annual Bonus and the amount and terms of any Annual Bonus shall be in the sole and absolute discretion of the Board or the Compensation Committee.

2. The Annual Bonus, if any, will be paid within two and a half (2-1/2) months after the end of the applicable calendar year or otherwise in a manner intended to be in accordance with or exempt from Section 409A ("Section 409A") of the Internal Revenue Code of 1986, as amended (the "Code"). Except as otherwise provided in Section V, (i) the Annual Bonus will be subject to any short-term incentive plan or program of the Companies under which it is granted, which short-term incentive plan or program shall be subject to such terms and conditions as may be determined by the Board and/or the Committee, and (ii) in order to be eligible to receive an Annual Bonus, the Executive must be employed by the Companies on the date that Annual Bonuses are paid.

C. Equity Awards. As soon as reasonably practicable following the Effective Date, the Company will recommend that the Board of Parent grant to the Executive an equity award (the "Initial Award") for such number of shares of the Parent's common stock (the "Common Stock") as may be determined by the Board and/or the Committee. The Initial Award shall include a performance-based vesting condition, pursuant to which (i) thirty percent (30%) of the number of shares of Common Stock subject to the Initial Award shall vest and, if applicable, become exercisable upon the market price of the Common Stock (as determined based on trading on Nasdaq or other applicable stock exchange) being equal to or exceeding $12.50 per share for thirty (30) consecutive trading days, and the remaining seventy percent (70%) of the number of shares of Common Stock subject to the Initial Award shall vest and, if applicable, become exercisable upon the market price of the Common Stock being equal to or exceeding $15.00 per share for thirty (30) consecutive trading days. The Initial Award shall be in such form and subject to such other terms and conditions as may be determined by the Board and/or the Committee. The Initial Award shall be subject to the Parent's 2023 Stock Incentive Plan (such plan, as it may be amended and/or restated, the "2023 Plan") and applicable award agreement which shall contain such terms and conditions as may be determined by the Board and/or the Committee. The grant of the Initial Award shall be contingent upon the effectiveness of the registration with the U.S. Securities and Exchange Commission (the "SEC") of the shares issuable under the 2023 Plan on a Form S-8 registration statement and compliance with other Applicable Law and shall be made as soon as practicable after the effectiveness of the Form S-8 registration statement. Following the grant of the Initial Award, during the Term the Executive shall be eligible to participate in the 2023 Plan or any successor stock incentive plan (collectively, such plans, as they may be amended and/or restated, the "Stock Plan") on such terms and conditions as may be determined by the Board and/or the Committee in its or their discretion. The grant of any such awards shall be subject to the terms of the Stock Plan and applicable award agreement which shall contain such terms and conditions as may be determined by the Board and/or the Committee.

D. Fringe Benefits and Perquisites. During the Term, the Executive shall be entitled to fringe benefits and perquisites consistent with the practices of the Companies and governing benefit plan requirements (including plan eligibility provisions), and to the extent the Companies provide similar benefits or perquisites (or both) to similarly situated executives of the Companies, subject to the Companies' authority to amend, modify or terminate such fringe benefits and perquisites at any time and from time to time.

E. Employee Benefits. During the Term, the Executive shall, to the extent eligible, be entitled to participate in the employee benefit plans, practices and programs maintained by the Companies, as in effect from time to time (collectively, the "Employee Benefit Plans"), on a basis which is no less favorable than is provided to other similarly situated executives of the Companies, to the extent consistent with Applicable Law and the terms of the applicable Employee Benefit Plans. The Companies reserve the right to amend, suspend, modify or terminate any Employee Benefit Plans at any time in its sole discretion, subject to the terms of such Employee Benefit Plan and Applicable Law.

F. Paid Time Off. The Executive is entitled to unlimited Paid Time Off ("PTO"), as long as the Executive fulfills his or her job duties. Such paid time shall include time off for sickness, vacation or personal reasons. The time or times during which leave may be taken shall be by mutual agreement of the Companies and the Executive. Whenever possible, the Companies agree to accommodate and grant the Executive's request for time. Since the Executive does not accrue PTO, the Companies will not compensate for any PTO upon termination of the Agreement.

G. Business Expenses. The Executive shall be entitled to reimbursement for all reasonable and necessary out-of-pocket business, entertainment, and travel expenses incurred by the Executive in connection with the performance of the Executive's duties hereunder in accordance with the Companies' expense reimbursement policies and procedures and Section XXI herein.

H. Clawback and Related Provisions. Notwithstanding any other provision in this Agreement to the contrary, any incentive-based or other compensation paid to the Executive under this Agreement or any other agreement, plan or arrangement with the Companies which is subject to recovery under any Applicable Law (including any SEC or stock exchange listing requirement) or any forfeiture, clawback or other policy adopted by the Companies will be subject to such forfeiture, deductions and clawback as may apply pursuant to such Applicable Law or any such policy, as applicable to the Executive from time to time. The Companies will make any determination for clawback or recovery in its or their sole discretion and in accordance with any Applicable Law. In addition, without limiting the effect of the foregoing, the Executive acknowledges and agrees that he or she shall be subject to, and shall abide by, any equity retention policy, stock ownership guidelines and/or other policies adopted by the Companies, each as in effect from time to time and to the extent applicable to the Executive.

V. Termination of Employment. The Term and the Executive's employment hereunder may be terminated by the Companies or the Executive at any time and for any reason; provided that, unless otherwise provided herein, either party shall be required to give the other party at least thirty (30) days' advance written notice of any termination of the Executive's employment. On termination of the Executive's employment during the Term, the Executive shall be entitled to the compensation and benefits described in this Section V and shall have no further rights to any compensation or any other benefits from the Companies or any other Affiliates of the Companies.

A. Termination For Cause or Without Good Reason.

1. The Executive's employment hereunder may be terminated by the Companies for Cause (as defined below) or by the Executive without Good Reason (as defined below). If the Executive's employment is terminated by the Companies for Cause, or by the Executive without Good Reason, the Executive shall be entitled to receive:

a. any accrued but unpaid Base Salary, which shall be paid in accordance with the Companies' customary payroll procedures within thirty (30) days following the Termination Date (as defined below);

b. reimbursement for unreimbursed business expenses properly incurred by the Executive, which shall be subject to and paid in accordance with the Companies' expense reimbursement policy and Section XXI herein; and

c. such employee benefits, if any, to which the Executive may be entitled under the Companies' employee benefit plans as of the Termination Date; provided that, in no event shall the Executive be entitled to any payments in the nature of severance or termination payments except as specifically provided herein.

d. The treatment of any outstanding equity awards granted to the Executive shall be subject to the terms of the Stock Plan and applicable award agreements.

Items V.A.1.a through V.A.1.c are referred to herein collectively as the "Accrued Amounts".

2. For purposes of this Agreement, "Cause" shall mean:

a. the Executive's willful or material failure to perform Executive's duties (other than any such failure resulting from incapacity due to physical or mental illness);

b. the Executive's willful failure to comply with any valid and legal directive of the Board (or, if applicable, the person or entity to whom the Executive reports);

c. the Executive's engagement in dishonesty, illegal conduct or other misconduct, which is, in each case, materially injurious to the Companies or their Affiliates;

d. the Executive's embezzlement, misappropriation or fraud, whether or not related to the Executive's employment with the Companies;

e. the Executive's conviction of or plea of guilty or nolo contendere to a crime that constitutes a felony (or state law equivalent) or a crime that constitutes a misdemeanor involving moral turpitude;

f. the Executive's material violation of the Companies' written policies or codes of conduct, including but not limited to written policies related to discrimination, harassment, performance of illegal or unethical activities and ethical misconduct;

g. the Executive's material breach of any material obligation under this Agreement, the Covenants Agreement or any other written agreement between the Executive and the Companies;

h. the Executive's engagement in conduct that brings or is reasonably likely to bring the Companies negative publicity or into public disgrace, embarrassment or disrepute; or

i. the knowing misstatement by the Executive of the financial records of the Companies or complicit actions in respect thereof, or knowing failure to disclose material financial or other information to the Board, or the Executive's engagement in conduct that results in the Executive's obligation to reimburse the either of the Companies for the amount of any bonus, incentive-based compensation, equity-based compensation, profits realized from the sale of the Parent's securities or other compensation pursuant to application of the provisions of Section 304 of the Sarbanes-Oxley Act of 2002, Section 954 of the Dodd-Frank Wall Street Reform and Consumer Protection Act or other Applicable Law or pursuant to any clawback or recoupment policy, plan or agreement of either of the Companies.

For purposes of this provision, no act or failure to act on the part of the Executive shall be considered "willful" unless it is done, or omitted to be done, by the Executive in bad faith or without reasonable belief that the Executive's action or omission was in the best interests of the Companies. Any act, or failure to act, based on authority given pursuant to a resolution duly adopted by the Board or on the advice of counsel for the Companies shall be conclusively presumed to be done, or omitted to be done, by the Executive in good faith and in the best interests of the Companies.

Termination of the Executive's employment shall not be deemed to be for Cause unless and until the Companies deliver to the Executive a copy of a resolution duly adopted by the affirmative vote of not less than a majority of the Board (excluding the Executive if applicable) (after reasonable written notice is provided to the Executive and the Executive is given an opportunity, together with counsel, to be heard before the Board), finding that the Executive has engaged in the conduct described in any of (a)-(i) above. Except for a failure, breach or refusal which, in the Board's reasonable discretion, is not subject to cure or cannot reasonably be expected to be cured, in which case no cure period shall be required, the Executive shall have twenty (20) days from the delivery of written notice by the Companies within which to cure any acts constituting Cause. The Companies may place the Executive on paid leave for up to sixty (60) days while determining whether there is a basis to terminate the Executive's employment for Cause. Any such action by the Companies will not constitute Good Reason.

3. For purposes of this Agreement, "Good Reason" shall mean the occurrence of any of the following, in each case during the Term without the Executive's written consent:

a. a material reduction in the Executive's Base Salary (other than a reduction in Base Salary that affects all similarly situated executives in substantially the same proportions);

b. any material and adverse breach by the Companies of any material provision of this Agreement (it being expressly understood that the Companies' decision not to renew the Agreement pursuant to Section I herein shall not constitute a breach of this Agreement or Good Reason); or

c. a material and adverse change in the Executive's title, authority, duties, reporting relationships or responsibilities (other than temporarily while the Executive is physically or mentally incapacitated or as required by Applicable Law).

The Executive cannot terminate employment for Good Reason unless the Executive has provided written notice to the Companies of the existence of the circumstances providing grounds for termination for Good Reason within fifteen (15) days of the Executive's initial knowledge of such grounds and the Companies have had at least thirty (30) days from the date on which such notice is provided to cure such circumstances, and the Companies fail to cure such grounds within that thirty (30)-day period. If the Executive does not terminate employment for Good Reason within sixty (60) days after the Executive's first knowledge of the applicable grounds, then the Executive will be deemed to have waived the right to terminate for Good Reason with respect to such grounds.

B. Without Cause or for Good Reason. The Term and the Executive's employment hereunder may be terminated by the Executive for Good Reason or by the Companies without Cause. In the event of such termination, the Executive shall be entitled to receive the Accrued Amounts and, subject to the Executive's compliance with the Covenants Agreements and the Executive's execution of a release of claims in favor of the Companies, its or their Affiliates and its or their respective officers and directors in a form provided by the Companies (the "Release") and such Release becoming effective within sixty (60) days following the Termination Date (such sixty (60)-day period, the "Release Execution Period"), the Executive shall be entitled to receive the following:

1. a severance payment equal to one (1) times the sum of the Executive's then-current Base Salary (prior to a material reduction described in Section V.A.3.a above) for the year in which the Termination Date occurs, which shall be paid on the Companies' regular payroll dates over a period of twelve (12) months, beginning with the first regular payroll date that occurs on or after sixty (60) days following the Termination Date; provided that, if the Release Execution Period begins in one taxable year and ends in another taxable year, payment shall not be made until the beginning of the second taxable year.

2. If the Executive timely and properly elects health continuation coverage under the Consolidated Omnibus Budget Reconciliation Act of 1985 ("COBRA"), the Companies shall reimburse the Executive for a portion of the monthly COBRA premium paid by the Executive for the Executive and the Executive's dependents equal to the monthly employer contribution that the Company would have made to provide health insurance to the Executive if the Executive had remained employed by the Company. Such reimbursement shall be paid to the Executive on the thirtieth (30th) day of the month immediately following the month in which the Executive timely remits the premium payment. The Executive shall be eligible to receive such reimbursement until the earliest of: (i) the twelve (12)-month anniversary of the Termination Date; (ii) the date the Executive is no longer eligible to receive COBRA continuation coverage; and (iii) the date on which the Executive becomes eligible to receive substantially similar coverage from another employer or other source. Notwithstanding the foregoing, if the Companies' making payments under this Section V.B would violate the nondiscrimination rules applicable to non-grandfathered plans under the Affordable Care Act (the "ACA"), or result in the imposition of penalties under the ACA and the related regulations and guidance promulgated thereunder), the parties agree to reform this Section V.B in a manner as is necessary to comply with the ACA.

3. If the Executive is not a participant in a health insurance plan offered by the Companies as of the Termination Date, the Companies shall reimburse the Executive for a portion of the reasonable and documented monthly premium paid by the Executive to maintain different health insurance for the Executive and the Executive's dependents in an amount no greater than would have been provided to the Executive if the Executive had elected COBRA continuation coverage under Section V.B, for a participant in the "base" health insurance plan offered by the Company. Such reimbursement shall be paid to the Executive on the thirtieth (30th) day of the month immediately following the month in which the Executive submits documentation to the Company of the Executive's timely remittance of the premium payment. The Executive shall be eligible to receive such reimbursement until the earliest of: (i) the twelve (12)-month anniversary of the Termination Date and (ii) the date on which the Executive becomes eligible to receive substantially similar coverage from another employer or other source.

4. The treatment of any outstanding equity awards shall be determined in accordance with the terms of the Stock Plan and applicable award agreements.

C. Death or Disability.

1. The Executive's employment hereunder shall terminate automatically on the Executive's death during the Term, and the Companies may terminate the Executive's employment on account of the Executive's Disability.

2. If the Executive's employment is terminated during the Term on account of the Executive's death or Disability, the Executive (or the Executive's estate and/or beneficiary, as the case may be) shall be entitled to receive the following:

   a. the Accrued Amounts; and

   b. in the case of Disability, and subject to execution by the Executive (or his or her personal representative if applicable) of the Release and the Executive's compliance with the Covenants Agreement, a severance payment equal to one (1) times the Executive's Base Salary for the year in which the Termination Date occurs, which shall be paid on the Companies' regular payroll dates over a period of twelve (12) months, beginning with the first regular payroll date that occurs on or after sixty (60) days following the Termination Date; provided that, if the Release Execution Period begins in one taxable year and ends in another taxable year, payment shall not be made until the beginning of the second taxable year.

   Notwithstanding any other provision contained herein, all payments made in connection with the Executive's Disability shall be provided in a manner which is consistent with federal and state law.

3. For purposes of this Agreement, "Disability" shall mean the Executive's inability to perform the essential duties of the Executive's position, with or without any reasonable accommodations, because of the Executive's mental or physical illness, injury, impairment or incapacity, as interpreted and applied consistent with the Americans with Disabilities Act and other Applicable Law, for a period in excess of ninety (90) consecutive days in any calendar year. The Committee shall exercise reasonable discretion to determine if a Disability has occurred.

4. The treatment of any outstanding equity awards shall be determined in accordance with the terms of the Stock Plan and applicable award agreements.

D. Notice of Termination. Any termination of the Executive's employment hereunder by the Companies or by the Executive during the Term (other than termination pursuant to Section V.C.1 on account of the Executive's death) shall be communicated by written notice of termination ("Notice of Termination") to the other party hereto in accordance with Section XXIV. The Notice of Termination shall specify:

1. The termination provision of this Agreement relied upon;

2. To the extent applicable, the facts and circumstances claimed to provide a basis for termination of the Executive's employment under the provision so indicated; and

3. The applicable Termination Date.

E. Termination Date. The Executive's "Termination Date" shall be:

1. If the Executive's employment hereunder terminates on account of the Executive's death, the date of the Executive's death;

2. If the Executive's employment hereunder is terminated following the Executive's Disability, the date that it is determined by the Committee that the Executive has terminated employment following a Disability;

3. If the Executive's employment hereunder is terminated for Cause, the date the Notice of Termination is delivered to the Executive;

4. If Executive's employment hereunder is terminated without Cause, the date specified in the Notice of Termination, which shall be no less than thirty (30) days following the date on which the Notice of Termination is delivered; provided that, the Companies shall have the option to instruct the Executive not to perform any further work after receiving the Notice of Termination (but the Executive shall continue to receive compensation and benefits under this Agreement through the date of termination);

5. If the Executive terminates the Executive's employment hereunder without Good Reason, the date specified in the Executive's Notice of Termination, which shall be no less than thirty (30) days following the date on which the Notice of Termination is delivered; provided that, the Companies may waive all or any part of the thirty (30)-day notice period for no consideration by giving written notice to the Executive and for all purposes of this Agreement, the Executive's Termination Date shall be the date determined by the Company; and

6. If the Executive terminates the Executive's employment hereunder with Good Reason, the date the Executive's Notice of Termination is delivered to the Company.

Notwithstanding anything contained herein, the Termination Date shall not occur until the date on which the Executive incurs a "separation from service" within the meaning of Section 409A.

F. Mitigation. In no event shall the Executive be obligated to seek other employment or take any other action by way of mitigation of the amounts payable to the Executive under any of the provisions of this Agreement and except as provided in Section V.B.2, any amounts payable pursuant to this Section V shall not be reduced by compensation the Executive earns on account of employment with another employer.

G. Resignation of All Other Positions. On termination of the Executive's employment hereunder for any reason, the Executive agrees to resign, and shall be deemed to have resigned, effective on the Termination Date, from all positions that the Executive holds as an officer or member of the Board (or a committee thereof) of the Parent, and the board (or a committee thereof) of the Company and any other Affiliates of the Companies.

H. Section 280G.

1. If any of the payments or benefits received or to be received by the Executive (including, without limitation, any payment or benefits received in connection with a change of control or the Executive's termination of employment, whether pursuant to the terms of this Agreement or any other plan, arrangement or agreement, or otherwise) (all such payments collectively referred to herein as the "280G Payments") constitute "parachute payments" within the meaning of Section 280G of the Code and would, but for this Section V.H, be subject to the excise tax imposed under Section 4999 of the Code (the "Excise Tax"), then prior to making the 280G Payments, a calculation shall be made comparing (i) the Net Benefit (as defined below) to the Executive of the 280G Payments after payment of the Excise Tax to (ii) the Net Benefit to the Executive if the 280G Payments are limited to the extent necessary to avoid being subject to the Excise Tax. Only if the amount calculated under (i) above is less than the amount under (ii) above will the 280G Payments be reduced to the minimum extent necessary to ensure that no portion of the 280G Payments is subject to the Excise Tax. "Net Benefit" shall mean the present value of the 280G Payments net of all federal, state, local, foreign income, employment, and excise taxes. Any reduction made pursuant to this Section V.H shall be made in a manner determined by the Companies that is consistent with the requirements of Section 409A.

2. All calculations and determinations under this Section V.H shall be made by an independent accounting firm or independent tax counsel appointed by the Companies (the "Tax Counsel") whose determinations shall be conclusive and binding on the Companies and the Executive for all purposes. For purposes of making the calculations and determinations required by this Section V.H, the Tax Counsel may rely on reasonable, good faith assumptions and approximations concerning the application of Section 280G and Section 4999 of the Code. The Companies and the Executive shall furnish the Tax Counsel with such information and documents as the Tax Counsel may reasonably request in order to make its determinations under this Section V.H. The Companies shall bear all costs the Tax Counsel may reasonably incur in connection with its services.

VI. Compliance with Restrictive Covenants. The Executive acknowledges and agrees that the Companies' obligation to pay any benefits under Section V, other than the Accrued Amounts, is contingent upon the Executive's compliance with the Covenants Agreement and any other restrictive covenants that are applicable to the Executive. Notwithstanding any other provision to the contrary in the Agreement, in the event the Executive fails or ceases to fully abide by the Covenants Agreement or any other restrictive covenants applicable to the Executive, whether or not any such covenant(s) are ultimately deemed to be invalid or unenforceable, then the Executive acknowledges and agrees that Executive shall not be eligible to receive, and will forfeit, any and all benefits under Section V other than the Accrued Amounts, except that the Executive will be entitled to $1,000 of the severance benefits provided under Section V. If the Executive has already received any such severance benefits provided in Section V (other than the Accrued Amounts) at the time the Executive violates any such covenant, whether or not the covenants are ultimately deemed invalid or unenforceable as set forth in the preceding sentence, then, in addition to any rights of the Companies under Section IV.H herein, the Executive is deemed to have acknowledged that the Companies will immediately be entitled to recover all such gross amounts in full from the Executive, except that the Executive may retain $1,000 of such severance benefits.

VII. Protected Rights. Notwithstanding anything in the Agreement or the Covenants Agreement to the contrary, (i) nothing in the Agreement, including but not limited to any release provided under the Agreement, or other agreement prohibits the Executive from reporting possible violations of law or regulation to any governmental agency or entity, including but not limited to the Department of Justice, the SEC, the Congress and any agency Inspector General (the "Government Agencies"), or communicating with the Government Agencies or otherwise participating in any investigation or proceedings that may be conducted by the Government Agencies, including providing documents or other information, or engaging in any concerted activities or other actions as protected by the National Labor Relations Act; (ii) the Executive does not need the prior authorization of the Companies to take any action described in (i), and the Executive is not required to notify the Companies that he or she has taken any action described in (i); and (iii) neither the Agreement nor such release limits the Executive's right to receive an award for providing information relating to a possible securities law violation to the SEC. Further, notwithstanding the foregoing, the Executive shall not be held criminally or civilly liable under any federal, state, or local trade secret law for the disclosure of a trade secret that (x) is made (A) in confidence to a federal, state, or local official, either directly or indirectly, or to an attorney; and (B) solely for the purpose of reporting or investigating a suspected violation or law; or (y) is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal. Additionally, an individual suing an employer for retaliation based on the reporting of a suspected violation of law may disclose a trade secret to his or her attorney and use the trade secret information in the court proceeding, so long as any document containing the trade secret is filed under seal and the individual does not disclose the trade secret except pursuant to court order.

VIII. Non-Disparagement. Subject to Executive's protected rights under Section VII hereof and Applicable Law, the Executive covenants and agrees that, during the term of the Executive's employment and thereafter, the Executive shall not make any disparaging remarks, or any remarks that could reasonably be construed as disparaging, regarding the Companies or its or their Affiliates, or its or their officers, directors, employees, stockholders, representatives or agents. The Companies shall, except to the extent otherwise required by Applicable Law or as appropriate in the exercise of the fiduciary duties of the Board or the board of directors of the Company (as determined by the Board or the board of directors of the Company, with advice of counsel), as applicable, exercise reasonable efforts to cause the following individuals to refrain from making, and refrain from instructing or encouraging others to make, any disparaging statements, orally or in writing, regarding the Executive from and after the termination of the Executive's employment: the Companies' executive officers and the members of the Board.

IX. Non-Diversion of Business Opportunity. During the Executive's employment with the Companies and consistent with the Executive's duties and fiduciary obligations to the Companies, the Executive shall (i) disclose to the Companies any business opportunity that comes to the Executive's attention during the Executive's employment with the Companies and that relates to the business of the Companies or otherwise arises as a result of the Executive's employment with the Companies, and (ii) not take advantage of or otherwise divert any such opportunity for the Executive's own benefit or that of any other person or entity without prior written consent of the Companies.

X. Cooperation. The parties agree that certain matters in which the Executive will be involved during the Term may necessitate the Executive's cooperation in the future. Accordingly, following the termination of the Executive's employment for any reason, to the extent reasonably requested by the Board, the Executive shall cooperate with the Companies in connection with matters arising out of the Executive's service to the Companies; provided that, the Companies shall make reasonable efforts to minimize disruption of the Executive's other activities. The Companies shall reimburse the Executive for reasonable expenses incurred in connection with such cooperation and, to the extent that the Executive is required to spend substantial time on such matters, the Companies shall provide reasonable compensation to the Executive for such services.

XI. Acknowledgement. The Executive acknowledges and agrees that the services to be rendered by the Executive to the Companies are of a special and unique character; that the Executive will obtain knowledge and skill relevant to the Companies' industry, methods of doing business and marketing and other strategies by virtue of the Executive's employment; and that the restrictive covenants and other terms and conditions of this Agreement and the Covenants Agreement are reasonable and reasonably necessary to protect the legitimate business interest of the Companies.

XII. Remedies. In the event of a breach or threatened breach by the Executive of the Agreement or the Covenants Agreement, the Executive hereby consents and agrees that the Companies shall be entitled to seek, in addition to other available remedies, a temporary or permanent injunction or other equitable relief against such breach or threatened breach from any court of competent jurisdiction, and that money damages would not afford an adequate remedy, without the necessity of showing any actual damages, and without the necessity of posting any bond or other security. The aforementioned equitable relief shall be in addition to, not in lieu of, legal remedies, monetary damages or other available forms of relief.

XIII. Arbitration. Any dispute, controversy, or claim arising out of or related to this Agreement or any breach of this Agreement or the Executive's employment, whether the claim arises in contract, tort, or statute, shall be submitted to and decided by binding arbitration. Executive and the Companies expressly acknowledge and agree that by entering into this Agreement, Executive and the Companies waive any right to a jury trial on any dispute or claim that is subject to binding arbitration under this Agreement. Any arbitration under this Agreement shall be conducted pursuant to the Employment Arbitration Rules and Mediation Procedures of the American Arbitration Association ("AAA") then in effect. Any arbitration shall be heard before a single arbitrator and shall be held in Atlanta, Georgia. Unless otherwise agreed, the costs and expenses of arbitration, including compensation and expenses of the arbitrator, shall be borne by the parties in accordance with AAA rules. Each party will bear its own attorneys' fees, and the arbitrator will not have authority to award attorneys' fees unless a statutory section at issue in the dispute or this Agreement authorizes the award of attorneys' fees to the prevailing party, in which case the arbitrator has authority to make such award as permitted by the statute in question. The parties agree that any arbitration award shall be enforceable in any court of competent jurisdiction. Notwithstanding the foregoing, nothing in this Section XIII shall prohibit either party from seeking provisional remedies, including without limitation preliminary injunctions and temporary restraining orders, in a court of competent jurisdiction.

XIV. Return of Property of the Companies. Upon any voluntary or involuntary termination of the Executive's employment (or at any time upon request of the Companies), the Executive shall immediately surrender and return to the Companies all property of or relating to the Companies (including, without limitation, all records, notes, documents, forms, manuals, photographs, instructions, lists, drawings, blueprints, programs, diagrams, equipment, supplies, electronic files, passwords, log-in credentials, client-related and other records, notes, materials, computer-generated or computer-retrievable data or other data, computer disks, software or other written, printed or electronic material, which pertain to the business of the Companies or that may or may not relate to or otherwise comprise or contain confidential information or trade secrets, as defined in the Covenants Agreement) that the Executive created, used, possessed, had access to or maintained while working for the Companies from whatever source and whenever created, including all reproductions or excerpts thereof. This provision does not apply to purely personal documents of the Executive, but it does apply to business calendars, customer lists, contact information, computer programs, laptops, computers, cell phones, smartphones, personal digital assistants, disks and their contents and like information that may contain some personal matters of the Executive. The Executive acknowledges that title to all such property is vested in the Companies. The Executive expressly agrees that the Companies, upon termination of the Executive's employment or at any time upon request of the Companies, may have access to and review any computer(s), smart phones or similar equipment utilized by the Executive at least in part for the Companies' businesses, whether owned by the Executive or by the Companies, to determine if there is any business-related information thereon, and the Companies may require that any such information be deleted if it determines that such is in the best interests of the Companies.

XV. Governing Law: Jurisdiction and Venue. This Agreement, for all purposes, shall be construed in accordance with the laws of Delaware without regard to conflicts of law principles. Any action or proceeding by either of the parties to enforce this Agreement that is not subject to the mandatory arbitration provision in Section XIII shall be brought only in a state or federal court located in the state of Delaware. The parties hereby irrevocably submit to the exclusive jurisdiction of such courts and waive the defense of inconvenient forum to the maintenance of any such action or proceeding in such venue.

XVI. Entire Agreement. Unless specifically provided herein, this Agreement contains all of the understandings and representations between the Executive and the Companies pertaining to the subject matter hereof and supersedes all prior and contemporaneous understandings, agreements, representations, and warranties, both written and oral, with respect to such subject matter. The parties mutually agree that the Agreement can be specifically enforced in court and can be cited as evidence in legal proceedings alleging breach of the Agreement.

XVII. Modification and Waiver. No provision of this Agreement may be amended or modified unless such amendment or modification is agreed to in writing and signed by the Executive and an authorized officer of each of the Parent and the Company. No waiver by any of the parties of any breach by another party hereto of any condition or provision of this Agreement to be performed by another party hereto shall be deemed a waiver of any similar or dissimilar provision or condition at the same or any prior or subsequent time, nor shall the failure of or delay by any of the parties in exercising any right, power, or privilege hereunder operate as a waiver thereof to preclude any other or further exercise thereof or the exercise of any other such right, power or privilege.

XVIII. Severability. Should any provision of this Agreement be held by a court of competent jurisdiction to be enforceable only if modified, or if any portion of this Agreement shall be held as unenforceable and thus stricken, such holding shall not affect the validity of the remainder of this Agreement, the balance of which shall continue to be binding upon the parties with any such modification to become a part hereof and treated as though originally set forth in this Agreement.

The parties further agree that any such court is expressly authorized to modify any such unenforceable provision of this Agreement in lieu of severing such unenforceable provision from this Agreement in its entirety, whether by rewriting the offending provision, deleting any or all of the offending provision, adding additional language to this Agreement, or by making such other modifications as it deems warranted to carry out the intent and agreement of the parties as embodied herein to the maximum extent permitted by law.

The parties expressly agree that this Agreement as so modified by the court shall be binding upon and enforceable against each of them. In any event, should one or more of the provisions of this Agreement be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provisions hereof, and if such provision or provisions are not modified as provided above, this Agreement shall be construed as if such invalid, illegal, or unenforceable provisions had not been set forth herein.

XIX. Captions; Construction. Captions and headings of the sections and paragraphs of this Agreement are intended solely for convenience and no provision of this Agreement is to be construed by reference to the caption or heading of any section or paragraph. For clarity, reference to the “Companies” includes the Parent and the Company unless the context otherwise requires.

XX. Counterparts. This Agreement may be executed in separate counterparts, each of which shall be deemed an original, but all of which taken together shall constitute one and the same instrument.

XXI. Section 409A. Notwithstanding any other provision in the Agreement to the contrary, if and to the extent that Section 409A is deemed to apply to any benefit under the Agreement, it is the general intention of the Companies that such benefits shall, to the extent practicable, comply with, or be exempt from, Section 409A, and the Agreement shall, to the extent practicable, be construed in accordance therewith. Deferrals of benefits distributable pursuant to the Agreement that are otherwise exempt from Section 409A in a manner that would cause Section 409A to apply shall not be permitted unless such deferrals are in compliance with or otherwise exempt from Section 409A. In the event that the Companies (or a successors thereto) have any stock which is publicly traded on an established securities market or otherwise and the Executive is determined to be a "specified employee" (as defined under Section 409A), any payment of deferred compensation subject to Section 409A to be made to the Executive upon a separation from service may not be made before the date that is six months after the Executive's separation from service (or death, if earlier). To the extent that the Executive becomes subject to the six-month delay rule, all payments of deferred compensation subject to Section 409A that would have been made to the Executive during the six months following his or her separation from service, if any, will be accumulated and paid to the Executive during the seventh month following his or her separation from service, and any remaining payments due will be made in their ordinary course as described in the Agreement. For the purposes herein, the phrase "termination of employment" or similar phrases will be interpreted in accordance with the term "separation from service" as defined under Section 409A if and to the extent required under Section 409A. Whenever payments under the Agreement are to be made in installments, each such installment shall be deemed to be a separate payment for purposes of Section 409A. To the extent not otherwise specified in the Agreement, all (A) reimbursements and (B) in-kind benefits provided under the Agreement shall be made or provided in accordance with the requirements of Section 409A, including, where applicable, the requirement that (1) any reimbursement is for expenses incurred during the Executive's lifetime (or during a shorter period of time specified in the Agreement); (2) the amount of expenses eligible for reimbursement, or in kind benefits provided, during a calendar year may not affect the expenses eligible for reimbursement, or in kind benefits to be provided, in any other calendar year; (3) the reimbursement of an eligible expense shall be made no later than the last day of the calendar year following the year in which the expense is incurred; and (4) the right to reimbursement or in kind benefits is not subject to liquidation or exchange for another benefit. Further, (i) in the event that Section 409A requires that any special terms, provisions, or conditions be included in the Agreement, then such terms, provisions and conditions shall, to the extent practicable, be deemed to be made a part of the Agreement, and (ii) terms used in the Agreement shall be construed in accordance with Section 409A if and to the extent required. Neither the Companies, its or their Affiliates, the Board, the Committee, the board of directors of the Company, nor its or their designees or agents makes any representations that the payments and benefits provided under the Agreement comply with Section 409A, and in no event will the Companies, its or their Affiliates, the Board, the Committee, the board of directors of the Company, nor its or their designees or agents be liable for all or any portion of any taxes, penalties, interest or other expenses that may be incurred by the Executive (or any person claiming through him or her) on account of non-compliance with Section 409A. Any payments that qualify for the "short-term deferral" exception or another exception under Code Section 409A shall be paid under the applicable exception.

XXII. Notification to Subsequent Employer. When the Executive's employment with the Companies terminates, the Executive agrees to notify any subsequent employer of any restrictive covenants that apply pursuant to this Agreement or the Covenants Agreement. The Executive will also deliver a copy of such notice to the Companies before the Executive commences employment with any subsequent employer. In addition, the Executive authorizes the Companies to provide a copy of any restrictive covenant provisions under this Agreement or the Covenants Agreement to third parties, including but not limited to, the Executive's subsequent, anticipated or possible future employer.

XXIII. Successors and Assigns. This Agreement is personal to the Executive and shall not be assigned by the Executive. Any purported assignment by the Executive shall be null and void from the initial date of the purported assignment. The Companies may assign this Agreement and its rights, together with its obligations, hereunder, to any successor or assign (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of the business or assets of the Companies, as applicable. This Agreement shall inure to the benefit of the Companies and its or their permitted successors and assigns.

XXIV. Notice. Notices provided for in this Agreement shall be in writing and shall be delivered personally or sent by registered or certified mail, return receipt requested, or by overnight carrier to the parties at the addresses set forth below (or such other addresses as specified by the parties by like notice):

If to the Parent:

Volato Group, Inc.
1954 Airport Road, Suite 124
Chamblee, GA 30341
Attn: Secretary

If to the Company:

Volato, Inc.
1954 Airport Road, Suite 124
Chamblee, GA 30341
Attn: Secretary

If to the Executive:

1803 Franklin Ave
McLean, VA 22101
Attn: Steven Drucker

XXV. Representations of the Executive. The Executive represents and warrants to the Companies that:

1. The Executive's continued employment with the Companies and the performance of duties hereunder will not conflict with or result in a violation of, a breach of, or a default under any contract, agreement or understanding to which the Executive is a party or is otherwise bound.

2. The Executive's continued employment with the Companies and the performance of duties hereunder will not violate any non-solicitation, non-competition or other similar covenant or agreement of a prior employer.

XXVI. Withholding. The Companies shall have the right to withhold from any amount payable hereunder any federal, state and local taxes in order for the Companies to satisfy any withholding tax obligation it may have under any Applicable Law.

XXVII. Survival. Upon the expiration or other termination of this Agreement, the respective rights and obligations of the parties hereto shall survive such expiration or other termination to the extent necessary to carry out the intentions of the parties under this Agreement.

XXVIII. Acknowledgement of Full Understanding. THE EXECUTIVE ACKNOWLEDGES AND AGREES THAT THE EXECUTIVE HAS FULLY READ, UNDERSTANDS AND VOLUNTARILY ENTERS INTO THIS AGREEMENT. THE EXECUTIVE ACKNOWLEDGES AND AGREES THAT THE EXECUTIVE HAS HAD AN OPPORTUNITY TO ASK QUESTIONS AND CONSULT WITH AN ATTORNEY OF THE EXECUTIVE'S CHOICE BEFORE SIGNING THIS AGREEMENT.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first above written.

Volato Group, Inc. (Parent):
By: /s/Matthew Liotta
Name: Matthew Liotta
Title: Chief Executive Officer

Volato, Inc. (Company):
By: /s/Matthew Liotta
Name: Matthew Liotta
Title: Chief Executive Officer

EXECUTIVE
Signature: /s/Steven Drucker
Name: Steven Drucker

Exhibit 10.5

Employment Agreement

This Employment Agreement (the "Agreement") is made and entered into as of December 1, 2023, by and among Mark Heinen (the "Executive"), Volato Group, Inc. (fka PROOF Acquisition Corp I, the "Parent"), and Volato, Inc. (the "Company," and together with the Parent, the "Companies").

WHEREAS, pursuant to the terms of that certain Business Combination Agreement, dated August 1, 2023, by and among the Parent, PACI Merger Sub, Inc., and the Company, the Company will become a wholly-owned subsidiary of the Parent following the closing of the transaction (such transactions collectively the "Merger");

WHEREAS, the Executive has been employed by the Company since November 27, 2023 and currently serves as Chief Financial Officer of the Company;

WHEREAS, in connection with the Merger, the parties desire to enter into this Agreement in order to promote the Executive's retention and service following the closing date of the Merger (the "Effective Date"), to incentivize the Executive to grow the Companies and their market position and to better reflect the Executive's value to the Companies;

WHEREAS, in connection with entering into the Agreement, the Companies and Executive intend to enter into that certain Employee Invention Assignment, Restrictive Covenants, and Confidentiality Agreement effective as of the Effective Date (such agreement, as it may be amended and/or restated, the "Covenants Agreement"), pursuant to which the Executive shall be subject to certain non-solicitation, confidentiality, proprietary rights and other restrictions;

WHEREAS, following consummation of the Merger, the Company anticipates that the Parent will grant the Executive an equity award as referenced herein; and

WHEREAS, the Executive acknowledges and agrees that the grant of the equity award, the severance benefits and the other benefits the Executive is receiving under this Agreement constitute new consideration and benefits to which the Executive is not otherwise entitled.

NOW, THEREFORE, in consideration of the mutual covenants, promises and obligations set forth herein, the parties agree as follows:

I. Term. Unless this Agreement shall sooner terminate pursuant to Section V of this Agreement, the initial term of this Agreement shall be one (1) year commencing on the Effective Date (the "Initial Term"). Following the Initial Term, this Agreement shall be deemed to be automatically renewed for a successive renewal period of six (6) months (the "Renewal Term"), unless the Board of Directors of the Parent (the "Board"), at least thirty (30) days prior to the expiration of the Initial Term, provides written notice to the Executive that this Agreement shall not be renewed. The period during which the Executive is employed pursuant to this Agreement, including during the Initial Term and any Renewal Term, shall be referred to as the "Term." If the Executive remains employed by the Company after the Term, then the Executive shall no longer be entitled to any severance payments or benefits under his Agreement and any severance rights the Executive may have shall be according to the terms and conditions established between the Company and the Executive from time to time.

II. Position and Duties.

A. Position. During the Term, the Executive shall serve as the Chief Financial Officer of the Companies, reporting to the Chief Executive Officer of the Parent (the "CEO") and the Board. In such position, the Executive shall have such duties, authority and responsibilities as are consistent with the Executive's position and such duties, authority and responsibilities as shall be determined from time to time by the CEO and/or the Board and in accordance with applicable laws, rules and regulations ("Applicable Law"). The Executive shall, if requested, also serve as a member of the Board or as an officer or director of any Affiliate of the Companies for no additional compensation. For the purposes of the Agreement, an "Affiliate" shall mean a person or entity controlling, controlled by or under common control with the Company or the Parent.

B. Duties. During the Term, the Executive shall devote substantially all of the Executive's business time and attention to the performance of the Executive's duties hereunder and will not engage in any other business, profession or occupation for compensation or otherwise which would conflict or interfere with the performance of such services either directly or indirectly without the prior written consent of the Board. Notwithstanding the foregoing, the Executive will be permitted to (a) with the prior written consent of the Board (which consent can be withheld by the Board in its discretion) act or serve as a director, trustee, committee member or principal of any type of business, civic or charitable organization, and (b) purchase or own less than five percent (5%) of the publicly traded securities of any corporation; provided that such ownership represents a passive investment and that the Executive is not a controlling person of, or a member of a group that controls, such corporation; provided further that the activities described in clauses (a) and (b) of this Section II.B do not interfere with the performance of the Executive's duties and responsibilities to the Companies as provided hereunder, including, but not limited to, the obligations set forth in Section II herein.

III. Place of Performance. During the Term, the Executive shall be entitled to perform his or her duties primarily on a remote basis; provided that the Executive shall be required to travel on business for the Companies during the Term as necessary for the performance of the Executive's duties or as reasonably requested by the Companies; and provided further, that upon the establishment of new headquarters for the Companies, the Companies reserve the right to require the Executive to perform the Executive's duties at such headquarters, as deemed necessary or appropriate by the CEO or the Board from time to time. The Companies will offer relocation assistance subject to the terms of a separate relocation assistance agreement in the event the Executive relocates his or her residence to such new headquarters.

IV. Compensation.

A. Base Salary. The Companies shall pay the Executive an annual base salary of $275,000.00, payable in periodic installments in accordance with the Companies' customary payroll practices and applicable wage payment laws, and pro rated based on employment for any partial calendar year. The Executive's base salary shall be reviewed periodically by the Board and/or the Compensation Committee of the Board (the "Committee") and the Board and/or the Committee may, but shall not be required to, adjust the base salary during the Term. The Executive's annual base salary, as in effect from time to time, is hereinafter referred to as the "Base Salary."

B. Annual Bonus.

1. For each calendar year of the Term, the Executive will be eligible to receive an annual target bonus in an amount equal to one hundred percent (100%) of the Executive's Base Salary (each, an "Annual Bonus"), with an opportunity to receive a maximum bonus of 200% of Base Salary, based on the achievement of such performance factors and such other terms and conditions as may be established by the Board and/or the Committee; provided that, depending on results, the Executive's actual bonus may be higher or lower than the target bonus amount. For clarity, the decision to award any Annual Bonus and the amount and terms of any Annual Bonus shall be in the sole and absolute discretion of the Board or the Compensation Committee.

2. The Annual Bonus, if any, will be paid within two and a half (2-1/2) months after the end of the applicable calendar year or otherwise in a manner intended to be in accordance with or exempt from Section 409A ("Section 409A") of the Internal Revenue Code of 1986, as amended (the "Code"). Except as otherwise provided in Section V, (i) the Annual Bonus will be subject to any short-term incentive plan or program of the Companies under which it is granted, which short-term incentive plan or program shall be subject to such terms and conditions as may be determined by the Board and/or the Committee, and (ii) in order to be eligible to receive an Annual Bonus, the Executive must be employed by the Companies on the date that Annual Bonuses are paid.

C. Equity Awards. As soon as reasonably practicable following the Effective Date, the Company will recommend that the Board of Parent grant to the Executive an equity award (the "Initial Award") for such number of shares of the Parent's common stock (the "Common Stock") as may be determined by the Board and/or the Committee. The Initial Award shall include a performance-based vesting condition, pursuant to which (i) thirty percent (30%) of the number of shares of Common Stock subject to the Initial Award shall vest and, if applicable, become exercisable upon the market price of the Common Stock (as determined based on trading on Nasdaq or other applicable stock exchange) being equal to or exceeding $12.50 per share for thirty (30) consecutive trading days, and the remaining seventy percent (70%) of the number of shares of Common Stock subject to the Initial Award shall vest and, if applicable, become exercisable upon the market price of the Common Stock being equal to or exceeding $15.00 per share for thirty (30) consecutive trading days. The Initial Award shall be in such form and subject to such other terms and conditions as may be determined by the Board and/or the Committee. The Initial Award shall be subject to the Parent's 2023 Stock Incentive Plan (such plan, as it may be amended and/or restated, the "2023 Plan") and applicable award agreement which shall contain such terms and conditions as may be determined by the Board and/or the Committee. The grant of the Initial Award shall be contingent upon the effectiveness of the registration with the U.S. Securities and Exchange Commission (the "SEC") of the shares issuable under the 2023 Plan on a Form S-8 registration statement and compliance with other Applicable Law and shall be made as soon as practicable after the effectiveness of the Form S-8 registration statement. Following the grant of the Initial Award, during the Term the Executive shall be eligible to participate in the 2023 Plan or any successor stock incentive plan (collectively, such plans, as they may be amended and/or restated, the "Stock Plan") on such terms and conditions as may be determined by the Board and/or the Committee in its or their discretion. The grant of any such awards shall be subject to the terms of the Stock Plan and applicable award agreement which shall contain such terms and conditions as may be determined by the Board and/or the Committee.

D. Fringe Benefits and Perquisites. During the Term, the Executive shall be entitled to fringe benefits and perquisites consistent with the practices of the Companies and governing benefit plan requirements (including plan eligibility provisions), and to the extent the Companies provide similar benefits or perquisites (or both) to similarly situated executives of the Companies, subject to the Companies' authority to amend, modify or terminate such fringe benefits and perquisites at any time and from time to time.

E. Employee Benefits. During the Term, the Executive shall, to the extent eligible, be entitled to participate in the employee benefit plans, practices and programs maintained by the Companies, as in effect from time to time (collectively, the "Employee Benefit Plans"), on a basis which is no less favorable than is provided to other similarly situated executives of the Companies, to the extent consistent with Applicable Law and the terms of the applicable Employee Benefit Plans. The Companies reserve the right to amend, suspend, modify or terminate any Employee Benefit Plans at any time in its sole discretion, subject to the terms of such Employee Benefit Plan and Applicable Law.

F. Paid Time Off. The Executive is entitled to unlimited Paid Time Off ("PTO"), as long as the Executive fulfills his or her job duties. Such paid time shall include time off for sickness, vacation or personal reasons. The time or times during which leave may be taken shall be by mutual agreement of the Companies and the Executive. Whenever possible, the Companies agree to accommodate and grant the Executive's request for time. Since the Executive does not accrue PTO, the Companies will not compensate for any PTO upon termination of the Agreement.

G. Business Expenses. The Executive shall be entitled to reimbursement for all reasonable and necessary out-of-pocket business, entertainment, and travel expenses incurred by the Executive in connection with the performance of the Executive's duties hereunder in accordance with the Companies' expense reimbursement policies and procedures and Section XXI herein.

H. Clawback and Related Provisions. Notwithstanding any other provision in this Agreement to the contrary, any incentive-based or other compensation paid to the Executive under this Agreement or any other agreement, plan or arrangement with the Companies which is subject to recovery under any Applicable Law (including any SEC or stock exchange listing requirement) or any forfeiture, clawback or other policy adopted by the Companies will be subject to such forfeiture, deductions and clawback as may apply pursuant to such Applicable Law or any such policy, as applicable to the Executive from time to time. The Companies will make any determination for clawback or recovery in its or their sole discretion and in accordance with any Applicable Law. In addition, without limiting the effect of the foregoing, the Executive acknowledges and agrees that he or she shall be subject to, and shall abide by, any equity retention policy, stock ownership guidelines and/or other policies adopted by the Companies, each as in effect from time to time and to the extent applicable to the Executive.

V. Termination of Employment. The Term and the Executive's employment hereunder may be terminated by the Companies or the Executive at any time and for any reason; provided that, unless otherwise provided herein, either party shall be required to give the other party at least thirty (30) days' advance written notice of any termination of the Executive's employment. On termination of the Executive's employment during the Term, the Executive shall be entitled to the compensation and benefits described in this Section V and shall have no further rights to any compensation or any other benefits from the Companies or any other Affiliates of the Companies.

A. Termination For Cause or Without Good Reason.

1. The Executive's employment hereunder may be terminated by the Companies for Cause (as defined below) or by the Executive without Good Reason (as defined below). If the Executive's employment is terminated by the Companies for Cause, or by the Executive without Good Reason, the Executive shall be entitled to receive:

a. any accrued but unpaid Base Salary, which shall be paid in accordance with the Companies' customary payroll procedures within thirty (30) days following the Termination Date (as defined below);

b. reimbursement for unreimbursed business expenses properly incurred by the Executive, which shall be subject to and paid in accordance with the Companies' expense reimbursement policy and Section XXI herein; and

c. such employee benefits, if any, to which the Executive may be entitled under the Companies' employee benefit plans as of the Termination Date; provided that, in no event shall the Executive be entitled to any payments in the nature of severance or termination payments except as specifically provided herein.

d. The treatment of any outstanding equity awards granted to the Executive shall be subject to the terms of the Stock Plan and applicable award agreements.

Items V.A.1.a through V.A.1.c are referred to herein collectively as the "Accrued Amounts".

2. For purposes of this Agreement, "Cause" shall mean:

a. the Executive's willful or material failure to perform Executive's duties (other than any such failure resulting from incapacity due to physical or mental illness);

b. the Executive's willful failure to comply with any valid and legal directive of the Board (or, if applicable, the person or entity to whom the Executive reports);

c. the Executive's engagement in dishonesty, illegal conduct or other misconduct, which is, in each case, materially injurious to the Companies or their Affiliates;

d. the Executive's embezzlement, misappropriation or fraud, whether or not related to the Executive's employment with the Companies;

e. the Executive's conviction of or plea of guilty or nolo contendere to a crime that constitutes a felony (or state law equivalent) or a crime that constitutes a misdemeanor involving moral turpitude;

f. the Executive's material violation of the Companies' written policies or codes of conduct, including but not limited to written policies related to discrimination, harassment, performance of illegal or unethical activities and ethical misconduct;

g. the Executive's material breach of any material obligation under this Agreement, the Covenants Agreement or any other written agreement between the Executive and the Companies;

h. the Executive's engagement in conduct that brings or is reasonably likely to bring the Companies negative publicity or into public disgrace, embarrassment or disrepute; or

i. the knowing misstatement by the Executive of the financial records of the Companies or complicit actions in respect thereof, or knowing failure to disclose material financial or other information to the Board, or the Executive's engagement in conduct that results in the Executive's obligation to reimburse the either of the Companies for the amount of any bonus, incentive-based compensation, equity-based compensation, profits realized from the sale of the Parent's securities or other compensation pursuant to application of the provisions of Section 304 of the Sarbanes-Oxley Act of 2002, Section 954 of the Dodd-Frank Wall Street Reform and Consumer Protection Act or other Applicable Law or pursuant to any clawback or recoupment policy, plan or agreement of either of the Companies.

For purposes of this provision, no act or failure to act on the part of the Executive shall be considered "willful" unless it is done, or omitted to be done, by the Executive in bad faith or without reasonable belief that the Executive's action or omission was in the best interests of the Companies. Any act, or failure to act, based on authority given pursuant to a resolution duly adopted by the Board or on the advice of counsel for the Companies shall be conclusively presumed to be done, or omitted to be done, by the Executive in good faith and in the best interests of the Companies.

Termination of the Executive's employment shall not be deemed to be for Cause unless and until the Companies deliver to the Executive a copy of a resolution duly adopted by the affirmative vote of not less than a majority of the Board (excluding the Executive if applicable) (after reasonable written notice is provided to the Executive and the Executive is given an opportunity, together with counsel, to be heard before the Board), finding that the Executive has engaged in the conduct described in any of (a)-(i) above. Except for a failure, breach or refusal which, in the Board's reasonable discretion, is not subject to cure or cannot reasonably be expected to be cured, in which case no cure period shall be required, the Executive shall have twenty (20) days from the delivery of written notice by the Companies within which to cure any acts constituting Cause. The Companies may place the Executive on paid leave for up to sixty (60) days while determining whether there is a basis to terminate the Executive's employment for Cause. Any such action by the Companies will not constitute Good Reason.

3. For purposes of this Agreement, "Good Reason" shall mean the occurrence of any of the following, in each case during the Term without the Executive's written consent:

a. a material reduction in the Executive's Base Salary (other than a reduction in Base Salary that affects all similarly situated executives in substantially the same proportions);

b. any material and adverse breach by the Companies of any material provision of this Agreement (it being expressly understood that the Companies' decision not to renew the Agreement pursuant to Section I herein shall not constitute a breach of this Agreement or Good Reason); or

c. a material and adverse change in the Executive's title, authority, duties, reporting relationships or responsibilities (other than temporarily while the Executive is physically or mentally incapacitated or as required by Applicable Law).

The Executive cannot terminate employment for Good Reason unless the Executive has provided written notice to the Companies of the existence of the circumstances providing grounds for termination for Good Reason within fifteen (15) days of the Executive's initial knowledge of such grounds and the Companies have had at least thirty (30) days from the date on which such notice is provided to cure such circumstances, and the Companies fail to cure such grounds within that thirty (30)-day period. If the Executive does not terminate employment for Good Reason within sixty (60) days after the Executive's first knowledge of the applicable grounds, then the Executive will be deemed to have waived the right to terminate for Good Reason with respect to such grounds.

B. Without Cause or for Good Reason. The Term and the Executive's employment hereunder may be terminated by the Executive for Good Reason or by the Companies without Cause. In the event of such termination, the Executive shall be entitled to receive the Accrued Amounts and, subject to the Executive's compliance with the Covenants Agreements and the Executive's execution of a release of claims in favor of the Companies, its or their Affiliates and its or their respective officers and directors in a form provided by the Companies (the "Release") and such Release becoming effective within sixty (60) days following the Termination Date (such sixty (60)-day period, the "Release Execution Period"), the Executive shall be entitled to receive the following:

1. a severance payment equal to one (1) times the sum of the Executive's then-current Base Salary (prior to a material reduction described in Section V.A.3.a above) for the year in which the Termination Date occurs, which shall be paid on the Companies' regular payroll dates over a period of twelve (12) months, beginning with the first regular payroll date that occurs on or after sixty (60) days following the Termination Date; provided that, if the Release Execution Period begins in one taxable year and ends in another taxable year, payment shall not be made until the beginning of the second taxable year.

2. If the Executive timely and properly elects health continuation coverage under the Consolidated Omnibus Budget Reconciliation Act of 1985 ("COBRA"), the Companies shall reimburse the Executive for a portion of the monthly COBRA premium paid by the Executive for the Executive and the Executive's dependents equal to the monthly employer contribution that the Company would have made to provide health insurance to the Executive if the Executive had remained employed by the Company. Such reimbursement shall be paid to the Executive on the thirtieth (30th) day of the month immediately following the month in which the Executive timely remits the premium payment. The Executive shall be eligible to receive such reimbursement until the earliest of: (i) the twelve (12)-month anniversary of the Termination Date; (ii) the date the Executive is no longer eligible to receive COBRA continuation coverage; and (iii) the date on which the Executive becomes eligible to receive substantially similar coverage from another employer or other source. Notwithstanding the foregoing, if the Companies' making payments under this Section V.B would violate the nondiscrimination rules applicable to non-grandfathered plans under the Affordable Care Act (the "ACA"), or result in the imposition of penalties under the ACA and the related regulations and guidance promulgated thereunder), the parties agree to reform this Section V.B in a manner as is necessary to comply with the ACA.

3. If the Executive is not a participant in a health insurance plan offered by the Companies as of the Termination Date, the Companies shall reimburse the Executive for a portion of the reasonable and documented monthly premium paid by the Executive to maintain different health insurance for the Executive and the Executive's dependents in an amount no greater than would have been provided to the Executive if the Executive had elected COBRA continuation coverage under Section V.B, for a participant in the "base" health insurance plan offered by the Company. Such reimbursement shall be paid to the Executive on the thirtieth (30th) day of the month immediately following the month in which the Executive submits documentation to the Company of the Executive's timely remittance of the premium payment. The Executive shall be eligible to receive such reimbursement until the earliest of: (i) the twelve (12)-month anniversary of the Termination Date and (ii) the date on which the Executive becomes eligible to receive substantially similar coverage from another employer or other source.

4. The treatment of any outstanding equity awards shall be determined in accordance with the terms of the Stock Plan and applicable award agreements.

C. Death or Disability.

1. The Executive's employment hereunder shall terminate automatically on the Executive's death during the Term, and the Companies may terminate the Executive's employment on account of the Executive's Disability.

2. If the Executive's employment is terminated during the Term on account of the Executive's death or Disability, the Executive (or the Executive's estate and/or beneficiary, as the case may be) shall be entitled to receive the following:

   a. the Accrued Amounts; and

   b. in the case of Disability, and subject to execution by the Executive (or his or her personal representative if applicable) of the Release and the Executive's compliance with the Covenants Agreement, a severance payment equal to one (1) times the Executive's Base Salary for the year in which the Termination Date occurs, which shall be paid on the Companies' regular payroll dates over a period of twelve (12) months, beginning with the first regular payroll date that occurs on or after sixty (60) days following the Termination Date; provided that, if the Release Execution Period begins in one taxable year and ends in another taxable year, payment shall not be made until the beginning of the second taxable year.

      Notwithstanding any other provision contained herein, all payments made in connection with the Executive's Disability shall be provided in a manner which is consistent with federal and state law.

3. For purposes of this Agreement, "Disability" shall mean the Executive's inability to perform the essential duties of the Executive's position, with or without any reasonable accommodations, because of the Executive's mental or physical illness, injury, impairment or incapacity, as interpreted and applied consistent with the Americans with Disabilities Act and other Applicable Law, for a period in excess of ninety (90) consecutive days in any calendar year. The Committee shall exercise reasonable discretion to determine if a Disability has occurred.

4. The treatment of any outstanding equity awards shall be determined in accordance with the terms of the Stock Plan and applicable award agreements.

D. Notice of Termination. Any termination of the Executive's employment hereunder by the Companies or by the Executive during the Term (other than termination pursuant to Section Section V.C.1 on account of the Executive's death) shall be communicated by written notice of termination ("Notice of Termination") to the other party hereto in accordance with Section XXIV. The Notice of Termination shall specify:

1. The termination provision of this Agreement relied upon;

2. To the extent applicable, the facts and circumstances claimed to provide a basis for termination of the Executive's employment under the provision so indicated; and

3. The applicable Termination Date.

E. Termination Date. The Executive's "Termination Date" shall be:

1. If the Executive's employment hereunder terminates on account of the Executive's death, the date of the Executive's death;

2. If the Executive's employment hereunder is terminated following the Executive's Disability, the date that it is determined by the Committee that the Executive has terminated employment following a Disability;

3. If the Executive's employment hereunder is terminated for Cause, the date the Notice of Termination is delivered to the Executive;

4. If Executive's employment hereunder is terminated without Cause, the date specified in the Notice of Termination, which shall be no less than thirty (30) days following the date on which the Notice of Termination is delivered; provided that, the Companies shall have the option to instruct the Executive not to perform any further work after receiving the Notice of Termination (but the Executive shall continue to receive compensation and benefits under this Agreement through the date of termination);

5. If the Executive terminates the Executive's employment hereunder without Good Reason, the date specified in the Executive's Notice of Termination, which shall be no less than thirty (30) days following the date on which the Notice of Termination is delivered; provided that, the Companies may waive all or any part of the thirty (30)-day notice period for no consideration by giving written notice to the Executive and for all purposes of this Agreement, the Executive's Termination Date shall be the date determined by the Company; and

6. If the Executive terminates the Executive's employment hereunder with Good Reason, the date the Executive's Notice of Termination is delivered to the Company.

Notwithstanding anything contained herein, the Termination Date shall not occur until the date on which the Executive incurs a "separation from service" within the meaning of Section 409A.

F. Mitigation. In no event shall the Executive be obligated to seek other employment or take any other action by way of mitigation of the amounts payable to the Executive under any of the provisions of this Agreement and except as provided in Section V.B.2, any amounts payable pursuant to this Section V shall not be reduced by compensation the Executive earns on account of employment with another employer.

G. Resignation of All Other Positions. On termination of the Executive's employment hereunder for any reason, the Executive agrees to resign, and shall be deemed to have resigned, effective on the Termination Date, from all positions that the Executive holds as an officer or member of the Board (or a committee thereof) of the Parent, and the board (or a committee thereof) of the Company and any other Affiliates of the Companies.

H. Section 280G.

1. If any of the payments or benefits received or to be received by the Executive (including, without limitation, any payment or benefits received in connection with a change of control or the Executive's termination of employment, whether pursuant to the terms of this Agreement or any other plan, arrangement or agreement, or otherwise) (all such payments collectively referred to herein as the "280G Payments") constitute "parachute payments" within the meaning of Section 280G of the Code and would, but for this Section V.H, be subject to the excise tax imposed under Section 4999 of the Code (the "Excise Tax"), then prior to making the 280G Payments, a calculation shall be made comparing (i) the Net Benefit (as defined below) to the Executive of the 280G Payments after payment of the Excise Tax to (ii) the Net Benefit to the Executive if the 280G Payments are limited to the extent necessary to avoid being subject to the Excise Tax. Only if the amount calculated under (i) above is less than the amount under (ii) above will the 280G Payments be reduced to the minimum extent necessary to ensure that no portion of the 280G Payments is subject to the Excise Tax. "Net Benefit" shall mean the present value of the 280G Payments net of all federal, state, local, foreign income, employment, and excise taxes. Any reduction made pursuant to this Section V.H shall be made in a manner determined by the Companies that is consistent with the requirements of Section 409A.

2. All calculations and determinations under this Section V.H shall be made by an independent accounting firm or independent tax counsel appointed by the Companies (the "Tax Counsel") whose determinations shall be conclusive and binding on the Companies and the Executive for all purposes. For purposes of making the calculations and determinations required by this Section V.H, the Tax Counsel may rely on reasonable, good faith assumptions and approximations concerning the application of Section 280G and Section 4999 of the Code. The Companies and the Executive shall furnish the Tax Counsel with such information and documents as the Tax Counsel may reasonably request in order to make its determinations under this Section V.H. The Companies shall bear all costs the Tax Counsel may reasonably incur in connection with its services.

VI. Compliance with Restrictive Covenants. The Executive acknowledges and agrees that the Companies' obligation to pay any benefits under Section V, other than the Accrued Amounts, is contingent upon the Executive's compliance with the Covenants Agreement and any other restrictive covenants that are applicable to the Executive. Notwithstanding any other provision to the contrary in the Agreement, in the event the Executive fails or ceases to fully abide by the Covenants Agreement or any other restrictive covenants applicable to the Executive, whether or not any such covenant(s) are ultimately deemed to be invalid or unenforceable, then the Executive acknowledges and agrees that Executive shall not be eligible to receive, and will forfeit, any and all benefits under Section V other than the Accrued Amounts, except that the Executive will be entitled to $1,000 of the severance benefits provided under Section V. If the Executive has already received any such severance benefits provided in Section V (other than the Accrued Amounts) at the time the Executive violates any such covenant, whether or not the covenants are ultimately deemed invalid or unenforceable as set forth in the preceding sentence, then, in addition to any rights of the Companies under Section IV.H herein, the Executive is deemed to have acknowledged that the Companies will immediately be entitled to recover all such gross amounts in full from the Executive, except that the Executive may retain $1,000 of such severance benefits.

VII. Protected Rights. Notwithstanding anything in the Agreement or the Covenants Agreement to the contrary, (i) nothing in the Agreement, including but not limited to any release provided under the Agreement, or other agreement prohibits the Executive from reporting possible violations of law or regulation to any governmental agency or entity, including but not limited to the Department of Justice, the SEC, the Congress and any agency Inspector General (the "Government Agencies"), or communicating with the Government Agencies or otherwise participating in any investigation or proceedings that may be conducted by the Government Agencies, including providing documents or other information, or engaging in any concerted activities or other actions as protected by the National Labor Relations Act; (ii) the Executive does not need the prior authorization of the Companies to take any action described in (i), and the Executive is not required to notify the Companies that he or she has taken any action described in (i); and (iii) neither the Agreement nor such release limits the Executive's right to receive an award for providing information relating to a possible securities law violation to the SEC. Further, notwithstanding the foregoing, the Executive shall not be held criminally or civilly liable under any federal, state, or local trade secret law for the disclosure of a trade secret that (x) is made (A) in confidence to a federal, state, or local official, either directly or indirectly, or to an attorney; and (B) solely for the purpose of reporting or investigating a suspected violation or law; or (y) is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal. Additionally, an individual suing an employer for retaliation based on the reporting of a suspected violation of law may disclose a trade secret to his or her attorney and use the trade secret information in the court proceeding, so long as any document containing the trade secret is filed under seal and the individual does not disclose the trade secret except pursuant to court order.

VIII. Non-Disparagement. Subject to Executive's protected rights under Section VII hereof and Applicable Law, the Executive covenants and agrees that, during the term of the Executive's employment and thereafter, the Executive shall not make any disparaging remarks, or any remarks that could reasonably be construed as disparaging, regarding the Companies or its or their Affiliates, or its or their officers, directors, employees, stockholders, representatives or agents. The Companies shall, except to the extent otherwise required by Applicable Law or as appropriate in the exercise of the fiduciary duties of the Board or the board of directors of the Company (as determined by the Board or the board of directors of the Company, with advice of counsel), as applicable, exercise reasonable efforts to cause the following individuals to refrain from making, and refrain from instructing or encouraging others to make, any disparaging statements, orally or in writing, regarding the Executive from and after the termination of the Executive's employment: the Companies' executive officers and the members of the Board.

IX. Non-Diversion of Business Opportunity. During the Executive's employment with the Companies and consistent with the Executive's duties and fiduciary obligations to the Companies, the Executive shall (i) disclose to the Companies any business opportunity that comes to the Executive's attention during the Executive's employment with the Companies and that relates to the business of the Companies or otherwise arises as a result of the Executive's employment with the Companies, and (ii) not take advantage of or otherwise divert any such opportunity for the Executive's own benefit or that of any other person or entity without prior written consent of the Companies.

X. Cooperation. The parties agree that certain matters in which the Executive will be involved during the Term may necessitate the Executive's cooperation in the future. Accordingly, following the termination of the Executive's employment for any reason, to the extent reasonably requested by the Board, the Executive shall cooperate with the Companies in connection with matters arising out of the Executive's service to the Companies; provided that, the Companies shall make reasonable efforts to minimize disruption of the Executive's other activities. The Companies shall reimburse the Executive for reasonable expenses incurred in connection with such cooperation and, to the extent that the Executive is required to spend substantial time on such matters, the Companies shall provide reasonable compensation to the Executive for such services.

XI. Acknowledgement. The Executive acknowledges and agrees that the services to be rendered by the Executive to the Companies are of a special and unique character; that the Executive will obtain knowledge and skill relevant to the Companies' industry, methods of doing business and marketing and other strategies by virtue of the Executive's employment; and that the restrictive covenants and other terms and conditions of this Agreement and the Covenants Agreement are reasonable and reasonably necessary to protect the legitimate business interest of the Companies.

XII. Remedies. In the event of a breach or threatened breach by the Executive of the Agreement or the Covenants Agreement, the Executive hereby consents and agrees that the Companies shall be entitled to seek, in addition to other available remedies, a temporary or permanent injunction or other equitable relief against such breach or threatened breach from any court of competent jurisdiction, and that money damages would not afford an adequate remedy, without the necessity of showing any actual damages, and without the necessity of posting any bond or other security. The aforementioned equitable relief shall be in addition to, not in lieu of, legal remedies, monetary damages or other available forms of relief.

XIII. Arbitration. Any dispute, controversy, or claim arising out of or related to this Agreement or any breach of this Agreement or the Executive's employment, whether the claim arises in contract, tort, or statute, shall be submitted to and decided by binding arbitration. Executive and the Companies expressly acknowledge and agree that by entering into this Agreement, Executive and the Companies waive any right to a jury trial on any dispute or claim that is subject to binding arbitration under this Agreement. Any arbitration under this Agreement shall be conducted pursuant to the Employment Arbitration Rules and Mediation Procedures of the American Arbitration Association ("AAA") then in effect. Any arbitration shall be heard before a single arbitrator and shall be held in Atlanta, Georgia. Unless otherwise agreed, the costs and expenses of arbitration, including compensation and expenses of the arbitrator, shall be borne by the parties in accordance with AAA rules. Each party will bear its own attorneys' fees, and the arbitrator will not have authority to award attorneys' fees unless a statutory section at issue in the dispute or this Agreement authorizes the award of attorneys' fees to the prevailing party, in which case the arbitrator has authority to make such award as permitted by the statute in question. The parties agree that any arbitration award shall be enforceable in any court of competent jurisdiction. Notwithstanding the foregoing, nothing in this Section XIII shall prohibit either party from seeking provisional remedies, including without limitation preliminary injunctions and temporary restraining orders, in a court of competent jurisdiction.

XIV. Return of Property of the Companies. Upon any voluntary or involuntary termination of the Executive's employment (or at any time upon request of the Companies), the Executive shall immediately surrender and return to the Companies all property of or relating to the Companies (including, without limitation, all records, notes, documents, forms, manuals, photographs, instructions, lists, drawings, blueprints, programs, diagrams, equipment, supplies, electronic files, passwords, log-in credentials, client-related and other records, notes, materials, computer-generated or computer-retrievable data or other data, computer disks, software or other written, printed or electronic material, which pertain to the business of the Companies or that may or may not relate to or otherwise comprise or contain confidential information or trade secrets, as defined in the Covenants Agreement) that the Executive created, used, possessed, had access to or maintained while working for the Companies from whatever source and whenever created, including all reproductions or excerpts thereof. This provision does not apply to purely personal documents of the Executive, but it does apply to business calendars, customer lists, contact information, computer programs, laptops, computers, cell phones, smartphones, personal digital assistants, disks and their contents and like information that may contain some personal matters of the Executive. The Executive acknowledges that title to all such property is vested in the Companies. The Executive expressly agrees that the Companies, upon termination of the Executive's employment or at any time upon request of the Companies, may have access to and review any computer(s), smart phones or similar equipment utilized by the Executive at least in part for the Companies' businesses, whether owned by the Executive or by the Companies, to determine if there is any business-related information thereon, and the Companies may require that any such information be deleted if it determines that such is in the best interests of the Companies.

XV. Governing Law: Jurisdiction and Venue. This Agreement, for all purposes, shall be construed in accordance with the laws of Delaware without regard to conflicts of law principles. Any action or proceeding by either of the parties to enforce this Agreement that is not subject to the mandatory arbitration provision in Section XIII shall be brought only in a state or federal court located in the state of Delaware. The parties hereby irrevocably submit to the exclusive jurisdiction of such courts and waive the defense of inconvenient forum to the maintenance of any such action or proceeding in such venue.

XVI. Entire Agreement. Unless specifically provided herein, this Agreement contains all of the understandings and representations between the Executive and the Companies pertaining to the subject matter hereof and supersedes all prior and contemporaneous understandings, agreements, representations, and warranties, both written and oral, with respect to such subject matter. The parties mutually agree that the Agreement can be specifically enforced in court and can be cited as evidence in legal proceedings alleging breach of the Agreement.

XVII. Modification and Waiver. No provision of this Agreement may be amended or modified unless such amendment or modification is agreed to in writing and signed by the Executive and an authorized officer of each of the Parent and the Company. No waiver by any of the parties of any breach by another party hereto of any condition or provision of this Agreement to be performed by another party hereto shall be deemed a waiver of any similar or dissimilar provision or condition at the same or any prior or subsequent time, nor shall the failure of or delay by any of the parties in exercising any right, power, or privilege hereunder operate as a waiver thereof to preclude any other or further exercise thereof or the exercise of any other such right, power or privilege.

XVIII. Severability. Should any provision of this Agreement be held by a court of competent jurisdiction to be enforceable only if modified, or if any portion of this Agreement shall be held as unenforceable and thus stricken, such holding shall not affect the validity of the remainder of this Agreement, the balance of which shall continue to be binding upon the parties with any such modification to become a part hereof and treated as though originally set forth in this Agreement.

The parties further agree that any such court is expressly authorized to modify any such unenforceable provision of this Agreement in lieu of severing such unenforceable provision from this Agreement in its entirety, whether by rewriting the offending provision, deleting any or all of the offending provision, adding additional language to this Agreement, or by making such other modifications as it deems warranted to carry out the intent and agreement of the parties as embodied herein to the maximum extent permitted by law.

The parties expressly agree that this Agreement as so modified by the court shall be binding upon and enforceable against each of them. In any event, should one or more of the provisions of this Agreement be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provisions hereof, and if such provision or provisions are not modified as provided above, this Agreement shall be construed as if such invalid, illegal, or unenforceable provisions had not been set forth herein.

XIX. Captions; Construction. Captions and headings of the sections and paragraphs of this Agreement are intended solely for convenience and no provision of this Agreement is to be construed by reference to the caption or heading of any section or paragraph. For clarity, reference to the “Companies” includes the Parent and the Company unless the context otherwise requires.

XX. Counterparts. This Agreement may be executed in separate counterparts, each of which shall be deemed an original, but all of which taken together shall constitute one and the same instrument.

XXI. Section 409A. Notwithstanding any other provision in the Agreement to the contrary, if and to the extent that Section 409A is deemed to apply to any benefit under the Agreement, it is the general intention of the Companies that such benefits shall, to the extent practicable, comply with, or be exempt from, Section 409A, and the Agreement shall, to the extent practicable, be construed in accordance therewith. Deferrals of benefits distributable pursuant to the Agreement that are otherwise exempt from Section 409A in a manner that would cause Section 409A to apply shall not be permitted unless such deferrals are in compliance with or otherwise exempt from Section 409A. In the event that the Companies (or a successors thereto) have any stock which is publicly traded on an established securities market or otherwise and the Executive is determined to be a "specified employee" (as defined under Section 409A), any payment of deferred compensation subject to Section 409A to be made to the Executive upon a separation from service may not be made before the date that is six months after the Executive's separation from service (or death, if earlier). To the extent that the Executive becomes subject to the six-month delay rule, all payments of deferred compensation subject to Section 409A that would have been made to the Executive during the six months following his or her separation from service, if any, will be accumulated and paid to the Executive during the seventh month following his or her separation from service, and any remaining payments due will be made in their ordinary course as described in the Agreement. For the purposes herein, the phrase "termination of employment" or similar phrases will be interpreted in accordance with the term "separation from service" as defined under Section 409A if and to the extent required under Section 409A. Whenever payments under the Agreement are to be made in installments, each such installment shall be deemed to be a separate payment for purposes of Section 409A. To the extent not otherwise specified in the Agreement, all (A) reimbursements and (B) in-kind benefits provided under the Agreement shall be made or provided in accordance with the requirements of Section 409A, including, where applicable, the requirement that (1) any reimbursement is for expenses incurred during the Executive's lifetime (or during a shorter period of time specified in the Agreement); (2) the amount of expenses eligible for reimbursement, or in kind benefits provided, during a calendar year may not affect the expenses eligible for reimbursement, or in kind benefits to be provided, in any other calendar year; (3) the reimbursement of an eligible expense shall be made no later than the last day of the calendar year following the year in which the expense is incurred; and (4) the right to reimbursement or in kind benefits is not subject to liquidation or exchange for another benefit. Further, (i) in the event that Section 409A requires that any special terms, provisions, or conditions be included in the Agreement, then such terms, provisions and conditions shall, to the extent practicable, be deemed to be made a part of the Agreement, and (ii) terms used in the Agreement shall be construed in accordance with Section 409A if and to the extent required. Neither the Companies, its or their Affiliates, the Board, the Committee, the board of directors of the Company, nor its or their designees or agents makes any representations that the payments and benefits provided under the Agreement comply with Section 409A, and in no event will the Companies, its or their Affiliates, the Board, the Committee, the board of directors of the Company, nor its or their designees or agents be liable for all or any portion of any taxes, penalties, interest or other expenses that may be incurred by the Executive (or any person claiming through him or her) on account of non-compliance with Section 409A. Any payments that qualify for the "short-term deferral" exception or another exception under Code Section 409A shall be paid under the applicable exception.

XXII. Notification to Subsequent Employer. When the Executive's employment with the Companies terminates, the Executive agrees to notify any subsequent employer of any restrictive covenants that apply pursuant to this Agreement or the Covenants Agreement. The Executive will also deliver a copy of such notice to the Companies before the Executive commences employment with any subsequent employer. In addition, the Executive authorizes the Companies to provide a copy of any restrictive covenant provisions under this Agreement or the Covenants Agreement to third parties, including but not limited to, the Executive's subsequent, anticipated or possible future employer.

XXIII. Successors and Assigns. This Agreement is personal to the Executive and shall not be assigned by the Executive. Any purported assignment by the Executive shall be null and void from the initial date of the purported assignment. The Companies may assign this Agreement and its rights, together with its obligations, hereunder, to any successor or assign (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of the business or assets of the Companies, as applicable. This Agreement shall inure to the benefit of the Companies and its or their permitted successors and assigns.

XXIV. Notice. Notices provided for in this Agreement shall be in writing and shall be delivered personally or sent by registered or certified mail, return receipt requested, or by overnight carrier to the parties at the addresses set forth below (or such other addresses as specified by the parties by like notice):

If to the Parent:

Volato Group, Inc.
1954 Airport Road, Suite 124
Chamblee, GA 30341
Attn: Secretary

If to the Company:

Volato, Inc.
1954 Airport Road, Suite 124
Chamblee, GA 30341
Attn: Secretary

If to the Executive:

1824 Baker Ridge Road
Sherman, Texas 75090
Attn: Mark Heinen

XXV. Representations of the Executive. The Executive represents and warrants to the Companies that:

1. The Executive's continued employment with the Companies and the performance of duties hereunder will not conflict with or result in a violation of, a breach of, or a default under any contract, agreement or understanding to which the Executive is a party or is otherwise bound.

2. The Executive's continued employment with the Companies and the performance of duties hereunder will not violate any non-solicitation, non-competition or other similar covenant or agreement of a prior employer.

XXVI. Withholding. The Companies shall have the right to withhold from any amount payable hereunder any federal, state and local taxes in order for the Companies to satisfy any withholding tax obligation it may have under any Applicable Law.

XXVII. Survival. Upon the expiration or other termination of this Agreement, the respective rights and obligations of the parties hereto shall survive such expiration or other termination to the extent necessary to carry out the intentions of the parties under this Agreement.

XXVIII. Acknowledgement of Full Understanding. THE EXECUTIVE ACKNOWLEDGES AND AGREES THAT THE EXECUTIVE HAS FULLY READ, UNDERSTANDS AND VOLUNTARILY ENTERS INTO THIS AGREEMENT. THE EXECUTIVE ACKNOWLEDGES AND AGREES THAT THE EXECUTIVE HAS HAD AN OPPORTUNITY TO ASK QUESTIONS AND CONSULT WITH AN ATTORNEY OF THE EXECUTIVE'S CHOICE BEFORE SIGNING THIS AGREEMENT.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first above written.

Volato Group, Inc. (Parent):
By: /s/Matthew Liotta
Name: Matthew Liotta
Title: Chief Executive Officer

Volato, Inc. (Company):
By: /s/Matthew Liotta
Name: Matthew Liotta
Title: Chief Executive Officer

EXECUTIVE
Signature: /s/Mark Heinen
Name: Mark Heinen

[Signature Page to Mark Heinen Employment Agreement]

Exhibit 10.6

Employment Agreement

This Employment Agreement (the "Agreement") is made and entered into as of December 1, 2023, by and among Matthew Liotta (the "Executive"), Volato Group, Inc. (fka PROOF Acquisition Corp I, the "Parent"), and Volato, Inc. (the "Company," and together with the Parent, the "Companies").

WHEREAS, pursuant to the terms of that certain Business Combination Agreement, dated August 1, 2023, by and among the Parent, PACI Merger Sub, Inc., and the Company, the Company will become a wholly-owned subsidiary of the Parent following the closing of the transaction (such transactions collectively the "Merger");

WHEREAS, the Executive has been employed by the Company since its inception and currently serves as Secretary and Chief Executive Officer of the Company;

WHEREAS, in connection with the Merger, the parties desire to enter into this Agreement in order to promote the Executive's retention and service following the closing date of the Merger (the "Effective Date"), to incentivize the Executive to grow the Companies and their market position and to better reflect the Executive's value to the Companies;

WHEREAS, in connection with entering into the Agreement, the Companies and Executive intend to enter into that certain Employee Invention Assignment, Restrictive Covenants, and Confidentiality Agreement effective as of the Effective Date (such agreement, as it may be amended and/or restated, the "Covenants Agreement"), pursuant to which the Executive shall be subject to certain non-solicitation, confidentiality, proprietary rights and other restrictions, and which Covenants Agreement replaces and supersedes the existing Employee Invention Assignment, Restrictive Covenants and Confidentiality Agreement dated as of September 16, 2021 between the Company and the Executive;

WHEREAS, following consummation of the Merger, the Company anticipates that the Parent will grant the Executive an equity award as referenced herein; and

WHEREAS, the Executive acknowledges and agrees that the grant of the equity award, the severance benefits and the other benefits the Executive is receiving under this Agreement constitute new consideration and benefits to which the Executive is not otherwise entitled.

NOW, THEREFORE, in consideration of the mutual covenants, promises and obligations set forth herein, the parties agree as follows:

I. Term. Unless this Agreement shall sooner terminate pursuant to Section V of this Agreement, the initial term of this Agreement shall be one (1) year commencing on the Effective Date (the "Initial Term"). Following the Initial Term, this Agreement shall be deemed to be automatically renewed for a successive renewal period of six (6) months (the "Renewal Term"), unless the Board of Directors of the Parent (the "Board"), at least thirty (30) days prior to the expiration of the Initial Term, provides written notice to the Executive that this Agreement shall not be renewed. The period during which the Executive is employed pursuant to this Agreement, including during the Initial Term and any Renewal Term, shall be referred to as the "Term." If the Executive remains employed by the Company after the Term, then the Executive shall no longer be entitled to any severance payments or benefits under his Agreement and any severance rights the Executive may have shall be according to the terms and conditions established between the Company and the Executive from time to time.

II. Position and Duties.

A. Position. During the Term, the Executive shall serve as the Chief Executive Officer of the Parent, reporting to the Board. In such position, the Executive shall have such duties, authority and responsibilities as are consistent with the Executive's position and such duties, authority and responsibilities as shall be determined from time to time by the Board and in accordance with applicable laws, rules and regulations ("Applicable Law"). The Executive shall, if requested, also serve as a member of the Board or as an officer or director of any Affiliate of the Companies for no additional compensation. For the purposes of the Agreement, an "Affiliate" shall mean a person or entity controlling, controlled by or under common control with the Company or the Parent.

B. Duties. During the Term, the Executive shall devote substantially all of the Executive's business time and attention to the performance of the Executive's duties hereunder and will not engage in any other business, profession or occupation for compensation or otherwise which would conflict or interfere with the performance of such services either directly or indirectly without the prior written consent of the Board. Notwithstanding the foregoing, the Executive will be permitted to (a) with the prior written consent of the Board (which consent can be withheld by the Board in its discretion) act or serve as a director, trustee, committee member or principal of any type of business, civic or charitable organization, and (b) purchase or own less than five percent (5%) of the publicly traded securities of any corporation; provided that such ownership represents a passive investment and that the Executive is not a controlling person of, or a member of a group that controls, such corporation; provided further that the activities described in clauses (a) and (b) of this Section II.B do not interfere with the performance of the Executive's duties and responsibilities to the Companies as provided hereunder, including, but not limited to, the obligations set forth in Section II herein.

III. Place of Performance. During the Term, the Executive shall be entitled to perform his or her duties primarily on a remote basis; provided that the Executive shall be required to travel on business for the Companies during the Term as necessary for the performance of the Executive's duties or as reasonably requested by the Companies; and provided further, that upon the establishment of new headquarters for the Companies, the Companies reserve the right to require the Executive to perform the Executive's duties at such headquarters, as deemed necessary or appropriate by the Board from time to time. The Companies will offer relocation assistance subject to the terms of a separate relocation assistance agreement in the event the Executive relocates his or her residence to such new headquarters.

IV. Compensation.

A. Base Salary. The Companies shall pay the Executive an annual base salary of $310,000.00, payable in periodic installments in accordance with the Companies' customary payroll practices and applicable wage payment laws, and pro rated based on employment for any partial calendar year. The Executive's base salary shall be reviewed periodically by the Board and/or the Compensation Committee of the Board (the "Committee") and the Board and/or the Committee may, but shall not be required to, adjust the base salary during the Term. The Executive's annual base salary, as in effect from time to time, is hereinafter referred to as the "Base Salary."

B. Annual Bonus.

1. For each calendar year of the Term, the Executive will be eligible to receive an annual target bonus in an amount equal to one hundred percent (100%) of the Executive's Base Salary (each, an "Annual Bonus"), with an opportunity to receive a maximum bonus of 200% of Base Salary, based on the achievement of such performance factors and such other terms and conditions as may be established by the Board and/or the Committee; provided that, depending on results, the Executive's actual bonus may be higher or lower than the target bonus amount. For clarity, the decision to award any Annual Bonus and the amount and terms of any Annual Bonus shall be in the sole and absolute discretion of the Board or the Compensation Committee.

2. The Annual Bonus, if any, will be paid within two and a half (2-1/2) months after the end of the applicable calendar year or otherwise in a manner intended to be in accordance with or exempt from Section 409A ("Section 409A") of the Internal Revenue Code of 1986, as amended (the "Code"). Except as otherwise provided in Section V, (i) the Annual Bonus will be subject to any short-term incentive plan or program of the Companies under which it is granted, which short-term incentive plan or program shall be subject to such terms and conditions as may be determined by the Board and/or the Committee, and (ii) in order to be eligible to receive an Annual Bonus, the Executive must be employed by the Companies on the date that Annual Bonuses are paid.

C. Equity Awards. As soon as reasonably practicable following the Effective Date, the Company will recommend that the Board of Parent grant to the Executive an equity award (the "Initial Award") for such number of shares of the Parent's common stock (the "Common Stock") as may be determined by the Board and/or the Committee. The Initial Award shall include a performance-based vesting condition, pursuant to which (i) thirty percent (30%) of the number of shares of Common Stock subject to the Initial Award shall vest and, if applicable, become exercisable upon the market price of the Common Stock (as determined based on trading on Nasdaq or other applicable stock exchange) being equal to or exceeding $12.50 per share for thirty (30) consecutive trading days, and the remaining seventy percent (70%) of the number of shares of Common Stock subject to the Initial Award shall vest and, if applicable, become exercisable upon the market price of the Common Stock being equal to or exceeding $15.00 per share for thirty (30) consecutive trading days. The Initial Award shall be in such form and subject to such other terms and conditions as may be determined by the Board and/or the Committee. The Initial Award shall be subject to the Parent's 2023 Stock Incentive Plan (such plan, as it may be amended and/or restated, the "2023 Plan") and applicable award agreement which shall contain such terms and conditions as may be determined by the Board and/or the Committee. The grant of the Initial Award shall be contingent upon the effectiveness of the registration with the U.S. Securities and Exchange Commission (the "SEC") of the shares issuable under the 2023 Plan on a Form S-8 registration statement and compliance with other Applicable Law and shall be made as soon as practicable after the effectiveness of the Form S-8 registration statement. Following the grant of the Initial Award, during the Term the Executive shall be eligible to participate in the 2023 Plan or any successor stock incentive plan (collectively, such plans, as they may be amended and/or restated, the "Stock Plan") on such terms and conditions as may be determined by the Board and/or the Committee in its or their discretion. The grant of any such awards shall be subject to the terms of the Stock Plan and applicable award agreement which shall contain such terms and conditions as may be determined by the Board and/or the Committee.

D. Fringe Benefits and Perquisites. During the Term, the Executive shall be entitled to fringe benefits and perquisites consistent with the practices of the Companies and governing benefit plan requirements (including plan eligibility provisions), and to the extent the Companies provide similar benefits or perquisites (or both) to similarly situated executives of the Companies, subject to the Companies' authority to amend, modify or terminate such fringe benefits and perquisites at any time and from time to time.

E. Employee Benefits. During the Term, the Executive shall, to the extent eligible, be entitled to participate in the employee benefit plans, practices and programs maintained by the Companies, as in effect from time to time (collectively, the "Employee Benefit Plans"), on a basis which is no less favorable than is provided to other similarly situated executives of the Companies, to the extent consistent with Applicable Law and the terms of the applicable Employee Benefit Plans. The Companies reserve the right to amend, suspend, modify or terminate any Employee Benefit Plans at any time in its sole discretion, subject to the terms of such Employee Benefit Plan and Applicable Law.

F. Paid Time Off. The Executive is entitled to unlimited Paid Time Off ("PTO"), as long as the Executive fulfills his or her job duties. Such paid time shall include time off for sickness, vacation or personal reasons. The time or times during which leave may be taken shall be by mutual agreement of the Companies and the Executive. Whenever possible, the Companies agree to accommodate and grant the Executive's request for time. Since the Executive does not accrue PTO, the Companies will not compensate for any PTO upon termination of the Agreement.

G. Business Expenses. The Executive shall be entitled to reimbursement for all reasonable and necessary out-of-pocket business, entertainment, and travel expenses incurred by the Executive in connection with the performance of the Executive's duties hereunder in accordance with the Companies' expense reimbursement policies and procedures and Section XXI herein.

H. Clawback and Related Provisions. Notwithstanding any other provision in this Agreement to the contrary, any incentive-based or other compensation paid to the Executive under this Agreement or any other agreement, plan or arrangement with the Companies which is subject to recovery under any Applicable Law (including any SEC or stock exchange listing requirement) or any forfeiture, clawback or other policy adopted by the Companies will be subject to such forfeiture, deductions and clawback as may apply pursuant to such Applicable Law or any such policy, as applicable to the Executive from time to time. The Companies will make any determination for clawback or recovery in its or their sole discretion and in accordance with any Applicable Law. In addition, without limiting the effect of the foregoing, the Executive acknowledges and agrees that he or she shall be subject to, and shall abide by, any equity retention policy, stock ownership guidelines and/or other policies adopted by the Companies, each as in effect from time to time and to the extent applicable to the Executive.

V. Termination of Employment. The Term and the Executive's employment hereunder may be terminated by the Companies or the Executive at any time and for any reason; provided that, unless otherwise provided herein, either party shall be required to give the other party at least thirty (30) days' advance written notice of any termination of the Executive's employment. On termination of the Executive's employment during the Term, the Executive shall be entitled to the compensation and benefits described in this Section V and shall have no further rights to any compensation or any other benefits from the Companies or any other Affiliates of the Companies.

A. Termination For Cause or Without Good Reason.

1. The Executive's employment hereunder may be terminated by the Companies for Cause (as defined below) or by the Executive without Good Reason (as defined below). If the Executive's employment is terminated by the Companies for Cause, or by the Executive without Good Reason, the Executive shall be entitled to receive:

a. any accrued but unpaid Base Salary, which shall be paid in accordance with the Companies' customary payroll procedures within thirty (30) days following the Termination Date (as defined below);

b. reimbursement for unreimbursed business expenses properly incurred by the Executive, which shall be subject to and paid in accordance with the Companies' expense reimbursement policy and Section XXI herein; and

c. such employee benefits, if any, to which the Executive may be entitled under the Companies' employee benefit plans as of the Termination Date; provided that, in no event shall the Executive be entitled to any payments in the nature of severance or termination payments except as specifically provided herein.

d. The treatment of any outstanding equity awards granted to the Executive shall be subject to the terms of the Stock Plan and applicable award agreements.

Items V.A.1.a through V.A.1.c are referred to herein collectively as the "Accrued Amounts".

2. For purposes of this Agreement, "Cause" shall mean:

a. the Executive's willful or material failure to perform Executive's duties (other than any such failure resulting from incapacity due to physical or mental illness);

b. the Executive's willful failure to comply with any valid and legal directive of the Board (or, if applicable, the person or entity to whom the Executive reports);

c. the Executive's engagement in dishonesty, illegal conduct or other misconduct, which is, in each case, materially injurious to the Companies or their Affiliates;

d. the Executive's embezzlement, misappropriation or fraud, whether or not related to the Executive's employment with the Companies;

e. the Executive's conviction of or plea of guilty or nolo contendere to a crime that constitutes a felony (or state law equivalent) or a crime that constitutes a misdemeanor involving moral turpitude;

f. the Executive's material violation of the Companies' written policies or codes of conduct, including but not limited to written policies related to discrimination, harassment, performance of illegal or unethical activities and ethical misconduct;

g. the Executive's material breach of any material obligation under this Agreement, the Covenants Agreement or any other written agreement between the Executive and the Companies;

h. the Executive's engagement in conduct that brings or is reasonably likely to bring the Companies negative publicity or into public disgrace, embarrassment or disrepute; or

i. the knowing misstatement by the Executive of the financial records of the Companies or complicit actions in respect thereof, or knowing failure to disclose material financial or other information to the Board, or the Executive's engagement in conduct that results in the Executive's obligation to reimburse the either of the Companies for the amount of any bonus, incentive-based compensation, equity-based compensation, profits realized from the sale of the Parent's securities or other compensation pursuant to application of the provisions of Section 304 of the Sarbanes-Oxley Act of 2002, Section 954 of the Dodd-Frank Wall Street Reform and Consumer Protection Act or other Applicable Law or pursuant to any clawback or recoupment policy, plan or agreement of either of the Companies.

For purposes of this provision, no act or failure to act on the part of the Executive shall be considered "willful" unless it is done, or omitted to be done, by the Executive in bad faith or without reasonable belief that the Executive's action or omission was in the best interests of the Companies. Any act, or failure to act, based on authority given pursuant to a resolution duly adopted by the Board or on the advice of counsel for the Companies shall be conclusively presumed to be done, or omitted to be done, by the Executive in good faith and in the best interests of the Companies.

Termination of the Executive's employment shall not be deemed to be for Cause unless and until the Companies deliver to the Executive a copy of a resolution duly adopted by the affirmative vote of not less than a majority of the Board (excluding the Executive if applicable) (after reasonable written notice is provided to the Executive and the Executive is given an opportunity, together with counsel, to be heard before the Board), finding that the Executive has engaged in the conduct described in any of (a)-(i) above. Except for a failure, breach or refusal which, in the Board's reasonable discretion, is not subject to cure or cannot reasonably be expected to be cured, in which case no cure period shall be required, the Executive shall have twenty (20) days from the delivery of written notice by the Companies within which to cure any acts constituting Cause. The Companies may place the Executive on paid leave for up to sixty (60) days while determining whether there is a basis to terminate the Executive's employment for Cause. Any such action by the Companies will not constitute Good Reason.

3. For purposes of this Agreement, "Good Reason" shall mean the occurrence of any of the following, in each case during the Term without the Executive's written consent:

a. a material reduction in the Executive's Base Salary (other than a reduction in Base Salary that affects all similarly situated executives in substantially the same proportions);

b. any material and adverse breach by the Companies of any material provision of this Agreement (it being expressly understood that the Companies' decision not to renew the Agreement pursuant to Section I herein shall not constitute a breach of this Agreement or Good Reason); or

c. a material and adverse change in the Executive's title, authority, duties, reporting relationships or responsibilities (other than temporarily while the Executive is physically or mentally incapacitated or as required by Applicable Law).

The Executive cannot terminate employment for Good Reason unless the Executive has provided written notice to the Companies of the existence of the circumstances providing grounds for termination for Good Reason within fifteen (15) days of the Executive's initial knowledge of such grounds and the Companies have had at least thirty (30) days from the date on which such notice is provided to cure such circumstances, and the Companies fail to cure such grounds within that thirty (30)-day period. If the Executive does not terminate employment for Good Reason within sixty (60) days after the Executive's first knowledge of the applicable grounds, then the Executive will be deemed to have waived the right to terminate for Good Reason with respect to such grounds.

B. Without Cause or for Good Reason. The Term and the Executive's employment hereunder may be terminated by the Executive for Good Reason or by the Companies without Cause. In the event of such termination, the Executive shall be entitled to receive the Accrued Amounts and, subject to the Executive's compliance with the Covenants Agreements and the Executive's execution of a release of claims in favor of the Companies, its or their Affiliates and its or their respective officers and directors in a form provided by the Companies (the "Release") and such Release becoming effective within sixty (60) days following the Termination Date (such sixty (60)-day period, the "Release Execution Period"), the Executive shall be entitled to receive the following:

1. a severance payment equal to one (1) times the sum of the Executive's then-current Base Salary (prior to a material reduction described in Section V.A.3.a above) for the year in which the Termination Date occurs, which shall be paid on the Companies' regular payroll dates over a period of twelve (12) months, beginning with the first regular payroll date that occurs on or after sixty (60) days following the Termination Date; provided that, if the Release Execution Period begins in one taxable year and ends in another taxable year, payment shall not be made until the beginning of the second taxable year.

2. If the Executive timely and properly elects health continuation coverage under the Consolidated Omnibus Budget Reconciliation Act of 1985 ("COBRA"), the Companies shall reimburse the Executive for a portion of the monthly COBRA premium paid by the Executive for the Executive and the Executive's dependents equal to the monthly employer contribution that the Company would have made to provide health insurance to the Executive if the Executive had remained employed by the Company. Such reimbursement shall be paid to the Executive on the thirtieth (30th) day of the month immediately following the month in which the Executive timely remits the premium payment. The Executive shall be eligible to receive such reimbursement until the earliest of: (i) the twelve (12)-month anniversary of the Termination Date; (ii) the date the Executive is no longer eligible to receive COBRA continuation coverage; and (iii) the date on which the Executive becomes eligible to receive substantially similar coverage from another employer or other source. Notwithstanding the foregoing, if the Companies' making payments under this Section V.B would violate the nondiscrimination rules applicable to non-grandfathered plans under the Affordable Care Act (the "ACA"), or result in the imposition of penalties under the ACA and the related regulations and guidance promulgated thereunder), the parties agree to reform this Section V.B in a manner as is necessary to comply with the ACA.

3. If the Executive is not a participant in a health insurance plan offered by the Companies as of the Termination Date, the Companies shall reimburse the Executive for a portion of the reasonable and documented monthly premium paid by the Executive to maintain different health insurance for the Executive and the Executive's dependents in an amount no greater than would have been provided to the Executive if the Executive had elected COBRA continuation coverage under Section V.B, for a participant in the "base" health insurance plan offered by the Company. Such reimbursement shall be paid to the Executive on the thirtieth (30th) day of the month immediately following the month in which the Executive submits documentation to the Company of the Executive's timely remittance of the premium payment. The Executive shall be eligible to receive such reimbursement until the earliest of: (i) the twelve (12)-month anniversary of the Termination Date and (ii) the date on which the Executive becomes eligible to receive substantially similar coverage from another employer or other source.

4. The treatment of any outstanding equity awards shall be determined in accordance with the terms of the Stock Plan and applicable award agreements.

C. Death or Disability.

1. The Executive's employment hereunder shall terminate automatically on the Executive's death during the Term, and the Companies may terminate the Executive's employment on account of the Executive's Disability.

2. If the Executive's employment is terminated during the Term on account of the Executive's death or Disability, the Executive (or the Executive's estate and/or beneficiary, as the case may be) shall be entitled to receive the following:

   a. the Accrued Amounts; and

   b. in the case of Disability, and subject to execution by the Executive (or his or her personal representative if applicable) of the Release and the Executive's compliance with the Covenants Agreement, a severance payment equal to one (1) times the Executive's Base Salary for the year in which the Termination Date occurs, which shall be paid on the Companies' regular payroll dates over a period of twelve (12) months, beginning with the first regular payroll date that occurs on or after sixty (60) days following the Termination Date; provided that, if the Release Execution Period begins in one taxable year and ends in another taxable year, payment shall not be made until the beginning of the second taxable year.

   Notwithstanding any other provision contained herein, all payments made in connection with the Executive's Disability shall be provided in a manner which is consistent with federal and state law.

3. For purposes of this Agreement, "Disability" shall mean the Executive's inability to perform the essential duties of the Executive's position, with or without any reasonable accommodations, because of the Executive's mental or physical illness, injury, impairment or incapacity, as interpreted and applied consistent with the Americans with Disabilities Act and other Applicable Law, for a period in excess of ninety (90) consecutive days in any calendar year. The Committee shall exercise reasonable discretion to determine if a Disability has occurred.

4. The treatment of any outstanding equity awards shall be determined in accordance with the terms of the Stock Plan and applicable award agreements.

D. Notice of Termination. Any termination of the Executive's employment hereunder by the Companies or by the Executive during the Term (other than termination pursuant to Section V.C.1 on account of the Executive's death) shall be communicated by written notice of termination ("Notice of Termination") to the other party hereto in accordance with Section XXIV. The Notice of Termination shall specify:

1. The termination provision of this Agreement relied upon;

2. To the extent applicable, the facts and circumstances claimed to provide a basis for termination of the Executive's employment under the provision so indicated; and

3. The applicable Termination Date.

E. Termination Date. The Executive's "Termination Date" shall be:

1. If the Executive's employment hereunder terminates on account of the Executive's death, the date of the Executive's death;

2. If the Executive's employment hereunder is terminated following the Executive's Disability, the date that it is determined by the Committee that the Executive has terminated employment following a Disability;

3. If the Executive's employment hereunder is terminated for Cause, the date the Notice of Termination is delivered to the Executive;

4. If Executive's employment hereunder is terminated without Cause, the date specified in the Notice of Termination, which shall be no less than thirty (30) days following the date on which the Notice of Termination is delivered; provided that, the Companies shall have the option to instruct the Executive not to perform any further work after receiving the Notice of Termination (but the Executive shall continue to receive compensation and benefits under this Agreement through the date of termination);

5. If the Executive terminates the Executive's employment hereunder without Good Reason, the date specified in the Executive's Notice of Termination, which shall be no less than thirty (30) days following the date on which the Notice of Termination is delivered; provided that, the Companies may waive all or any part of the thirty (30)-day notice period for no consideration by giving written notice to the Executive and for all purposes of this Agreement, the Executive's Termination Date shall be the date determined by the Company; and

6. If the Executive terminates the Executive's employment hereunder with Good Reason, the date the Executive's Notice of Termination is delivered to the Company.

Notwithstanding anything contained herein, the Termination Date shall not occur until the date on which the Executive incurs a "separation from service" within the meaning of Section 409A.

F. Mitigation. In no event shall the Executive be obligated to seek other employment or take any other action by way of mitigation of the amounts payable to the Executive under any of the provisions of this Agreement and except as provided in Section V.B.2, any amounts payable pursuant to this Section V shall not be reduced by compensation the Executive earns on account of employment with another employer.

G. Resignation of All Other Positions. On termination of the Executive's employment hereunder for any reason, the Executive agrees to resign, and shall be deemed to have resigned, effective on the Termination Date, from all positions that the Executive holds as an officer or member of the Board (or a committee thereof) of the Parent, and the board (or a committee thereof) of the Company and any other Affiliates of the Companies.

H. Section 280G.

1. If any of the payments or benefits received or to be received by the Executive (including, without limitation, any payment or benefits received in connection with a change of control or the Executive's termination of employment, whether pursuant to the terms of this Agreement or any other plan, arrangement or agreement, or otherwise) (all such payments collectively referred to herein as the "280G Payments") constitute "parachute payments" within the meaning of Section 280G of the Code and would, but for this Section V.H, be subject to the excise tax imposed under Section 4999 of the Code (the "Excise Tax"), then prior to making the 280G Payments, a calculation shall be made comparing (i) the Net Benefit (as defined below) to the Executive of the 280G Payments after payment of the Excise Tax to (ii) the Net Benefit to the Executive if the 280G Payments are limited to the extent necessary to avoid being subject to the Excise Tax. Only if the amount calculated under (i) above is less than the amount under (ii) above will the 280G Payments be reduced to the minimum extent necessary to ensure that no portion of the 280G Payments is subject to the Excise Tax. "Net Benefit" shall mean the present value of the 280G Payments net of all federal, state, local, foreign income, employment, and excise taxes. Any reduction made pursuant to this Section V.H shall be made in a manner determined by the Companies that is consistent with the requirements of Section 409A.

2. All calculations and determinations under this Section V.H shall be made by an independent accounting firm or independent tax counsel appointed by the Companies (the "Tax Counsel") whose determinations shall be conclusive and binding on the Companies and the Executive for all purposes. For purposes of making the calculations and determinations required by this Section V.H, the Tax Counsel may rely on reasonable, good faith assumptions and approximations concerning the application of Section 280G and Section 4999 of the Code. The Companies and the Executive shall furnish the Tax Counsel with such information and documents as the Tax Counsel may reasonably request in order to make its determinations under this Section V.H. The Companies shall bear all costs the Tax Counsel may reasonably incur in connection with its services.

VI. Compliance with Restrictive Covenants. The Executive acknowledges and agrees that the Companies' obligation to pay any benefits under Section V, other than the Accrued Amounts, is contingent upon the Executive's compliance with the Covenants Agreement and any other restrictive covenants that are applicable to the Executive. Notwithstanding any other provision to the contrary in the Agreement, in the event the Executive fails or ceases to fully abide by the Covenants Agreement or any other restrictive covenants applicable to the Executive, whether or not any such covenant(s) are ultimately deemed to be invalid or unenforceable, then the Executive acknowledges and agrees that Executive shall not be eligible to receive, and will forfeit, any and all benefits under Section V other than the Accrued Amounts, except that the Executive will be entitled to $1,000 of the severance benefits provided under Section V. If the Executive has already received any such severance benefits provided in Section V (other than the Accrued Amounts) at the time the Executive violates any such covenant, whether or not the covenants are ultimately deemed invalid or unenforceable as set forth in the preceding sentence, then, in addition to any rights of the Companies under Section IV.H herein, the Executive is deemed to have acknowledged that the Companies will immediately be entitled to recover all such gross amounts in full from the Executive, except that the Executive may retain $1,000 of such severance benefits.

VII. Protected Rights. Notwithstanding anything in the Agreement or the Covenants Agreement to the contrary, (i) nothing in the Agreement, including but not limited to any release provided under the Agreement, or other agreement prohibits the Executive from reporting possible violations of law or regulation to any governmental agency or entity, including but not limited to the Department of Justice, the SEC, the Congress and any agency Inspector General (the "Government Agencies"), or communicating with the Government Agencies or otherwise participating in any investigation or proceedings that may be conducted by the Government Agencies, including providing documents or other information, or engaging in any concerted activities or other actions as protected by the National Labor Relations Act; (ii) the Executive does not need the prior authorization of the Companies to take any action described in (i), and the Executive is not required to notify the Companies that he or she has taken any action described in (i); and (iii) neither the Agreement nor such release limits the Executive's right to receive an award for providing information relating to a possible securities law violation to the SEC. Further, notwithstanding the foregoing, the Executive shall not be held criminally or civilly liable under any federal, state, or local trade secret law for the disclosure of a trade secret that (x) is made (A) in confidence to a federal, state, or local official, either directly or indirectly, or to an attorney; and (B) solely for the purpose of reporting or investigating a suspected violation or law; or (y) is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal. Additionally, an individual suing an employer for retaliation based on the reporting of a suspected violation of law may disclose a trade secret to his or her attorney and use the trade secret information in the court proceeding, so long as any document containing the trade secret is filed under seal and the individual does not disclose the trade secret except pursuant to court order.

VIII. Non-Disparagement. Subject to Executive's protected rights under Section VII hereof and Applicable Law, the Executive covenants and agrees that, during the term of the Executive's employment and thereafter, the Executive shall not make any disparaging remarks, or any remarks that could reasonably be construed as disparaging, regarding the Companies or its or their Affiliates, or its or their officers, directors, employees, stockholders, representatives or agents. The Companies shall, except to the extent otherwise required by Applicable Law or as appropriate in the exercise of the fiduciary duties of the Board or the board of directors of the Company (as determined by the Board or the board of directors of the Company, with advice of counsel), as applicable, exercise reasonable efforts to cause the following individuals to refrain from making, and refrain from instructing or encouraging others to make, any disparaging statements, orally or in writing, regarding the Executive from and after the termination of the Executive's employment: the Companies' executive officers and the members of the Board.

IX. Non-Diversion of Business Opportunity. During the Executive's employment with the Companies and consistent with the Executive's duties and fiduciary obligations to the Companies, the Executive shall (i) disclose to the Companies any business opportunity that comes to the Executive's attention during the Executive's employment with the Companies and that relates to the business of the Companies or otherwise arises as a result of the Executive's employment with the Companies, and (ii) not take advantage of or otherwise divert any such opportunity for the Executive's own benefit or that of any other person or entity without prior written consent of the Companies.

X. Cooperation. The parties agree that certain matters in which the Executive will be involved during the Term may necessitate the Executive's cooperation in the future. Accordingly, following the termination of the Executive's employment for any reason, to the extent reasonably requested by the Board, the Executive shall cooperate with the Companies in connection with matters arising out of the Executive's service to the Companies; provided that, the Companies shall make reasonable efforts to minimize disruption of the Executive's other activities. The Companies shall reimburse the Executive for reasonable expenses incurred in connection with such cooperation and, to the extent that the Executive is required to spend substantial time on such matters, the Companies shall provide reasonable compensation to the Executive for such services.

XI. Acknowledgement. The Executive acknowledges and agrees that the services to be rendered by the Executive to the Companies are of a special and unique character; that the Executive will obtain knowledge and skill relevant to the Companies' industry, methods of doing business and marketing and other strategies by virtue of the Executive's employment; and that the restrictive covenants and other terms and conditions of this Agreement and the Covenants Agreement are reasonable and reasonably necessary to protect the legitimate business interest of the Companies.

XII. Remedies. In the event of a breach or threatened breach by the Executive of the Agreement or the Covenants Agreement, the Executive hereby consents and agrees that the Companies shall be entitled to seek, in addition to other available remedies, a temporary or permanent injunction or other equitable relief against such breach or threatened breach from any court of competent jurisdiction, and that money damages would not afford an adequate remedy, without the necessity of showing any actual damages, and without the necessity of posting any bond or other security. The aforementioned equitable relief shall be in addition to, not in lieu of, legal remedies, monetary damages or other available forms of relief.

XIII. Arbitration. Any dispute, controversy, or claim arising out of or related to this Agreement or any breach of this Agreement or the Executive's employment, whether the claim arises in contract, tort, or statute, shall be submitted to and decided by binding arbitration. Executive and the Companies expressly acknowledge and agree that by entering into this Agreement, Executive and the Companies waive any right to a jury trial on any dispute or claim that is subject to binding arbitration under this Agreement. Any arbitration under this Agreement shall be conducted pursuant to the Employment Arbitration Rules and Mediation Procedures of the American Arbitration Association ("AAA") then in effect. Any arbitration shall be heard before a single arbitrator and shall be held in Atlanta, Georgia. Unless otherwise agreed, the costs and expenses of arbitration, including compensation and expenses of the arbitrator, shall be borne by the parties in accordance with AAA rules. Each party will bear its own attorneys' fees, and the arbitrator will not have authority to award attorneys' fees unless a statutory section at issue in the dispute or this Agreement authorizes the award of attorneys' fees to the prevailing party, in which case the arbitrator has authority to make such award as permitted by the statute in question. The parties agree that any arbitration award shall be enforceable in any court of competent jurisdiction. Notwithstanding the foregoing, nothing in this Section XIII shall prohibit either party from seeking provisional remedies, including without limitation preliminary injunctions and temporary restraining orders, in a court of competent jurisdiction.

XIV. Return of Property of the Companies. Upon any voluntary or involuntary termination of the Executive's employment (or at any time upon request of the Companies), the Executive shall immediately surrender and return to the Companies all property of or relating to the Companies (including, without limitation, all records, notes, documents, forms, manuals, photographs, instructions, lists, drawings, blueprints, programs, diagrams, equipment, supplies, electronic files, passwords, log-in credentials, client-related and other records, notes, materials, computer-generated or computer-retrievable data or other data, computer disks, software or other written, printed or electronic material, which pertain to the business of the Companies or that may or may not relate to or otherwise comprise or contain confidential information or trade secrets, as defined in the Covenants Agreement) that the Executive created, used, possessed, had access to or maintained while working for the Companies from whatever source and whenever created, including all reproductions or excerpts thereof. This provision does not apply to purely personal documents of the Executive, but it does apply to business calendars, customer lists, contact information, computer programs, laptops, computers, cell phones, smartphones, personal digital assistants, disks and their contents and like information that may contain some personal matters of the Executive. The Executive acknowledges that title to all such property is vested in the Companies. The Executive expressly agrees that the Companies, upon termination of the Executive's employment or at any time upon request of the Companies, may have access to and review any computer(s), smart phones or similar equipment utilized by the Executive at least in part for the Companies' businesses, whether owned by the Executive or by the Companies, to determine if there is any business-related information thereon, and the Companies may require that any such information be deleted if it determines that such is in the best interests of the Companies.

XV. Governing Law: Jurisdiction and Venue. This Agreement, for all purposes, shall be construed in accordance with the laws of Delaware without regard to conflicts of law principles. Any action or proceeding by either of the parties to enforce this Agreement that is not subject to the mandatory arbitration provision in Section XIII shall be brought only in a state or federal court located in the state of Delaware. The parties hereby irrevocably submit to the exclusive jurisdiction of such courts and waive the defense of inconvenient forum to the maintenance of any such action or proceeding in such venue.

XVI. Entire Agreement. Unless specifically provided herein, this Agreement contains all of the understandings and representations between the Executive and the Companies pertaining to the subject matter hereof and supersedes all prior and contemporaneous understandings, agreements, representations, and warranties, both written and oral, with respect to such subject matter. The parties mutually agree that the Agreement can be specifically enforced in court and can be cited as evidence in legal proceedings alleging breach of the Agreement.

XVII. Modification and Waiver. No provision of this Agreement may be amended or modified unless such amendment or modification is agreed to in writing and signed by the Executive and an authorized officer of each of the Parent and the Company. No waiver by any of the parties of any breach by another party hereto of any condition or provision of this Agreement to be performed by another party hereto shall be deemed a waiver of any similar or dissimilar provision or condition at the same or any prior or subsequent time, nor shall the failure of or delay by any of the parties in exercising any right, power, or privilege hereunder operate as a waiver thereof to preclude any other or further exercise thereof or the exercise of any other such right, power or privilege.

XVIII. Severability. Should any provision of this Agreement be held by a court of competent jurisdiction to be enforceable only if modified, or if any portion of this Agreement shall be held as unenforceable and thus stricken, such holding shall not affect the validity of the remainder of this Agreement, the balance of which shall continue to be binding upon the parties with any such modification to become a part hereof and treated as though originally set forth in this Agreement.

The parties further agree that any such court is expressly authorized to modify any such unenforceable provision of this Agreement in lieu of severing such unenforceable provision from this Agreement in its entirety, whether by rewriting the offending provision, deleting any or all of the offending provision, adding additional language to this Agreement, or by making such other modifications as it deems warranted to carry out the intent and agreement of the parties as embodied herein to the maximum extent permitted by law.

The parties expressly agree that this Agreement as so modified by the court shall be binding upon and enforceable against each of them. In any event, should one or more of the provisions of this Agreement be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provisions hereof, and if such provision or provisions are not modified as provided above, this Agreement shall be construed as if such invalid, illegal, or unenforceable provisions had not been set forth herein.

XIX. Captions; Construction. Captions and headings of the sections and paragraphs of this Agreement are intended solely for convenience and no provision of this Agreement is to be construed by reference to the caption or heading of any section or paragraph. For clarity, reference to the “Companies” includes the Parent and the Company unless the context otherwise requires.

XX. Counterparts. This Agreement may be executed in separate counterparts, each of which shall be deemed an original, but all of which taken together shall constitute one and the same instrument.

XXI. Section 409A. Notwithstanding any other provision in the Agreement to the contrary, if and to the extent that Section 409A is deemed to apply to any benefit under the Agreement, it is the general intention of the Companies that such benefits shall, to the extent practicable, comply with, or be exempt from, Section 409A, and the Agreement shall, to the extent practicable, be construed in accordance therewith. Deferrals of benefits distributable pursuant to the Agreement that are otherwise exempt from Section 409A in a manner that would cause Section 409A to apply shall not be permitted unless such deferrals are in compliance with or otherwise exempt from Section 409A. In the event that the Companies (or a successors thereto) have any stock which is publicly traded on an established securities market or otherwise and the Executive is determined to be a "specified employee" (as defined under Section 409A), any payment of deferred compensation subject to Section 409A to be made to the Executive upon a separation from service may not be made before the date that is six months after the Executive's separation from service (or death, if earlier). To the extent that the Executive becomes subject to the six-month delay rule, all payments of deferred compensation subject to Section 409A that would have been made to the Executive during the six months following his or her separation from service, if any, will be accumulated and paid to the Executive during the seventh month following his or her separation from service, and any remaining payments due will be made in their ordinary course as described in the Agreement. For the purposes herein, the phrase "termination of employment" or similar phrases will be interpreted in accordance with the term "separation from service" as defined under Section 409A if and to the extent required under Section 409A. Whenever payments under the Agreement are to be made in installments, each such installment shall be deemed to be a separate payment for purposes of Section 409A. To the extent not otherwise specified in the Agreement, all (A) reimbursements and (B) in-kind benefits provided under the Agreement shall be made or provided in accordance with the requirements of Section 409A, including, where applicable, the requirement that (1) any reimbursement is for expenses incurred during the Executive's lifetime (or during a shorter period of time specified in the Agreement); (2) the amount of expenses eligible for reimbursement, or in kind benefits provided, during a calendar year may not affect the expenses eligible for reimbursement, or in kind benefits to be provided, in any other calendar year; (3) the reimbursement of an eligible expense shall be made no later than the last day of the calendar year following the year in which the expense is incurred; and (4) the right to reimbursement or in kind benefits is not subject to liquidation or exchange for another benefit. Further, (i) in the event that Section 409A requires that any special terms, provisions, or conditions be included in the Agreement, then such terms, provisions and conditions shall, to the extent practicable, be deemed to be made a part of the Agreement, and (ii) terms used in the Agreement shall be construed in accordance with Section 409A if and to the extent required. Neither the Companies, its or their Affiliates, the Board, the Committee, the board of directors of the Company, nor its or their designees or agents makes any representations that the payments and benefits provided under the Agreement comply with Section 409A, and in no event will the Companies, its or their Affiliates, the Board, the Committee, the board of directors of the Company, nor its or their designees or agents be liable for all or any portion of any taxes, penalties, interest or other expenses that may be incurred by the Executive (or any person claiming through him or her) on account of non-compliance with Section 409A. Any payments that qualify for the "short-term deferral" exception or another exception under Code Section 409A shall be paid under the applicable exception.

XXII. Notification to Subsequent Employer. When the Executive's employment with the Companies terminates, the Executive agrees to notify any subsequent employer of any restrictive covenants that apply pursuant to this Agreement or the Covenants Agreement. The Executive will also deliver a copy of such notice to the Companies before the Executive commences employment with any subsequent employer. In addition, the Executive authorizes the Companies to provide a copy of any restrictive covenant provisions under this Agreement or the Covenants Agreement to third parties, including but not limited to, the Executive's subsequent, anticipated or possible future employer.

XXIII. Successors and Assigns. This Agreement is personal to the Executive and shall not be assigned by the Executive. Any purported assignment by the Executive shall be null and void from the initial date of the purported assignment. The Companies may assign this Agreement and its rights, together with its obligations, hereunder, to any successor or assign (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of the business or assets of the Companies, as applicable. This Agreement shall inure to the benefit of the Companies and its or their permitted successors and assigns.

XXIV. Notice. Notices provided for in this Agreement shall be in writing and shall be delivered personally or sent by registered or certified mail, return receipt requested, or by overnight carrier to the parties at the addresses set forth below (or such other addresses as specified by the parties by like notice):

If to the Parent:

Volato Group, Inc.
1954 Airport Road, Suite 124
Chamblee, GA 30341
Attn: Secretary

If to the Company:

Volato, Inc.
1954 Airport Road, Suite 124
Chamblee, GA 30341
Attn: Secretary

If to the Executive:

4640 Palm Valley Road
Ponte Vedra Beach, FL 32082
Attn: Matthew Liotta

XXV. Representations of the Executive. The Executive represents and warrants to the Companies that:

1. The Executive's continued employment with the Companies and the performance of duties hereunder will not conflict with or result in a violation of, a breach of, or a default under any contract, agreement or understanding to which the Executive is a party or is otherwise bound.

2. The Executive's continued employment with the Companies and the performance of duties hereunder will not violate any non-solicitation, non-competition or other similar covenant or agreement of a prior employer.

XXVI. Withholding. The Companies shall have the right to withhold from any amount payable hereunder any federal, state and local taxes in order for the Companies to satisfy any withholding tax obligation it may have under any Applicable Law.

XXVII. Survival. Upon the expiration or other termination of this Agreement, the respective rights and obligations of the parties hereto shall survive such expiration or other termination to the extent necessary to carry out the intentions of the parties under this Agreement.

XXVIII. Acknowledgement of Full Understanding. THE EXECUTIVE ACKNOWLEDGES AND AGREES THAT THE EXECUTIVE HAS FULLY READ, UNDERSTANDS AND VOLUNTARILY ENTERS INTO THIS AGREEMENT. THE EXECUTIVE ACKNOWLEDGES AND AGREES THAT THE EXECUTIVE HAS HAD AN OPPORTUNITY TO ASK QUESTIONS AND CONSULT WITH AN ATTORNEY OF THE EXECUTIVE'S CHOICE BEFORE SIGNING THIS AGREEMENT.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first above written.

Volato Group, Inc. (Parent):
By: /s/Keith Rabin
Name: Keith Rabin
Title: President

Volato, Inc. (Company):
By: /s/Keith Rabin
Name: Keith Rabin
Title: President

EXECUTIVE
Signature: /s/Matthew Liotta
Name: Matthew Liotta

Exhibit 10.7

Employment Agreement

This Employment Agreement (the "Agreement") is made and entered into as of December 1, 2023, by and among Michael Prachar (the "Executive"), Volato Group, Inc. (fka PROOF Acquisition Corp I, the "Parent"), and Volato, Inc. (the "Company," and together with the Parent, the "Companies").

WHEREAS, pursuant to the terms of that certain Business Combination Agreement, dated August 1, 2023, by and among the Parent, PACI Merger Sub, Inc., and the Company, the Company will become a wholly-owned subsidiary of the Parent following the closing of the transaction (such transactions collectively the "Merger");

WHEREAS, the Executive has been employed by the Company since February 1, 2022 and currently serves as Chief Operating Officer of the Company;

WHEREAS, in connection with the Merger, the parties desire to enter into this Agreement in order to promote the Executive's retention and service following the closing date of the Merger (the "Effective Date"), to incentivize the Executive to grow the Companies and their market position and to better reflect the Executive's value to the Companies;

WHEREAS, in connection with entering into the Agreement, the Companies and Executive intend to enter into that certain Employee Invention Assignment, Restrictive Covenants, and Confidentiality Agreement effective as of the Effective Date (such agreement, as it may be amended and/or restated, the "Covenants Agreement"), pursuant to which the Executive shall be subject to certain non-solicitation, confidentiality, proprietary rights and other restrictions, and which Covenants Agreement replaces and supersedes the existing Employee Invention Assignment, Restrictive Covenants and Confidentiality Agreement dated as of March 24, 2023 between the Company and the Executive;

WHEREAS, following consummation of the Merger, the Company anticipates that the Parent will grant the Executive an equity award as referenced herein; and

WHEREAS, the Executive acknowledges and agrees that the grant of the equity award, the severance benefits and the other benefits the Executive is receiving under this Agreement constitute new consideration and benefits to which the Executive is not otherwise entitled.

NOW, THEREFORE, in consideration of the mutual covenants, promises and obligations set forth herein, the parties agree as follows:

I. Term. Unless this Agreement shall sooner terminate pursuant to Section V of this Agreement, the initial term of this Agreement shall be one (1) year commencing on the Effective Date (the "Initial Term"). Following the Initial Term, this Agreement shall be deemed to be automatically renewed for a successive renewal period of six (6) months (the "Renewal Term"), unless the Board of Directors of the Parent (the "Board"), at least thirty (30) days prior to the expiration of the Initial Term, provides written notice to the Executive that this Agreement shall not be renewed. The period during which the Executive is employed pursuant to this Agreement, including during the Initial Term and any Renewal Term, shall be referred to as the "Term." If the Executive remains employed by the Company after the Term, then the Executive shall no longer be entitled to any severance payments or benefits under his Agreement and any severance rights the Executive may have shall be according to the terms and conditions established between the Company and the Executive from time to time.

II. Position and Duties.

A. Position. During the Term, the Executive shall serve as the Chief Operating Officer of the Companies, reporting to the Chief Executive Officer of the Parent (the "CEO") and the Board. In such position, the Executive shall have such duties, authority and responsibilities as are consistent with the Executive's position and such duties, authority and responsibilities as shall be determined from time to time by the CEO and/or the Board and in accordance with applicable laws, rules and regulations ("Applicable Law"). The Executive shall, if requested, also serve as a member of the Board or as an officer or director of any Affiliate of the Companies for no additional compensation. For the purposes of the Agreement, an "Affiliate" shall mean a person or entity controlling, controlled by or under common control with the Company or the Parent.

B. Duties. During the Term, the Executive shall devote substantially all of the Executive's business time and attention to the performance of the Executive's duties hereunder and will not engage in any other business, profession or occupation for compensation or otherwise which would conflict or interfere with the performance of such services either directly or indirectly without the prior written consent of the Board. Notwithstanding the foregoing, the Executive will be permitted to (a) with the prior written consent of the Board (which consent can be withheld by the Board in its discretion) act or serve as a director, trustee, committee member or principal of any type of business, civic or charitable organization, and (b) purchase or own less than five percent (5%) of the publicly traded securities of any corporation; provided that such ownership represents a passive investment and that the Executive is not a controlling person of, or a member of a group that controls, such corporation; provided further that the activities described in clauses (a) and (b) of this Section II.B do not interfere with the performance of the Executive's duties and responsibilities to the Companies as provided hereunder, including, but not limited to, the obligations set forth in Section II herein.

III. Place of Performance. During the Term, the Executive shall be entitled to perform his or her duties primarily on a remote basis; provided that the Executive shall be required to travel on business for the Companies during the Term as necessary for the performance of the Executive's duties or as reasonably requested by the Companies; and provided further, that upon the establishment of new headquarters for the Companies, the Companies reserve the right to require the Executive to perform the Executive's duties at such headquarters, as deemed necessary or appropriate by the CEO or the Board from time to time. The Companies will offer relocation assistance subject to the terms of a separate relocation assistance agreement in the event the Executive relocates his or her residence to such new headquarters.

IV. Compensation.

A. Base Salary. The Companies shall pay the Executive an annual base salary of $235,000.00 payable in periodic installments in accordance with the Companies' customary payroll practices and applicable wage payment laws, and pro rated based on employment for any partial calendar year. The Executive's base salary shall be reviewed periodically by the Board and/or the Compensation Committee of the Board (the "Committee") and the Board and/or the Committee may, but shall not be required to, adjust the base salary during the Term. The Executive's annual base salary, as in effect from time to time, is hereinafter referred to as the "Base Salary."

B. Annual Bonus.

1. For each calendar year of the Term, the Executive will be eligible to receive an annual target bonus in an amount equal to one hundred percent (100%) of the Executive's Base Salary (each, an "Annual Bonus"), with an opportunity to receive a maximum bonus of 200% of Base Salary, based on the achievement of such performance factors and such other terms and conditions as may be established by the Board and/or the Committee; provided that, depending on results, the Executive's actual bonus may be higher or lower than the target bonus amount. For clarity, the decision to award any Annual Bonus and the amount and terms of any Annual Bonus shall be in the sole and absolute discretion of the Board or the Compensation Committee.

2. The Annual Bonus, if any, will be paid within two and a half (2-1/2) months after the end of the applicable calendar year or otherwise in a manner intended to be in accordance with or exempt from Section 409A ("Section 409A") of the Internal Revenue Code of 1986, as amended (the "Code"). Except as otherwise provided in Section V, (i) the Annual Bonus will be subject to any short-term incentive plan or program of the Companies under which it is granted, which short-term incentive plan or program shall be subject to such terms and conditions as may be determined by the Board and/or the Committee, and (ii) in order to be eligible to receive an Annual Bonus, the Executive must be employed by the Companies on the date that Annual Bonuses are paid.

C. Equity Awards. As soon as reasonably practicable following the Effective Date, the Company will recommend that the Board of Parent grant to the Executive an equity award (the "Initial Award") for such number of shares of the Parent's common stock (the "Common Stock") as may be determined by the Board and/or the Committee. The Initial Award shall include a performance-based vesting condition, pursuant to which (i) thirty percent (30%) of the number of shares of Common Stock subject to the Initial Award shall vest and, if applicable, become exercisable upon the market price of the Common Stock (as determined based on trading on Nasdaq or other applicable stock exchange) being equal to or exceeding $12.50 per share for thirty (30) consecutive trading days, and the remaining seventy percent (70%) of the number of shares of Common Stock subject to the Initial Award shall vest and, if applicable, become exercisable upon the market price of the Common Stock being equal to or exceeding $15.00 per share for thirty (30) consecutive trading days. The Initial Award shall be in such form and subject to such other terms and conditions as may be determined by the Board and/or the Committee. The Initial Award shall be subject to the Parent's 2023 Stock Incentive Plan (such plan, as it may be amended and/or restated, the "2023 Plan") and applicable award agreement which shall contain such terms and conditions as may be determined by the Board and/or the Committee. The grant of the Initial Award shall be contingent upon the effectiveness of the registration with the U.S. Securities and Exchange Commission (the "SEC") of the shares issuable under the 2023 Plan on a Form S-8 registration statement and compliance with other Applicable Law and shall be made as soon as practicable after the effectiveness of the Form S-8 registration statement. Following the grant of the Initial Award, during the Term the Executive shall be eligible to participate in the 2023 Plan or any successor stock incentive plan (collectively, such plans, as they may be amended and/or restated, the "Stock Plan") on such terms and conditions as may be determined by the Board and/or the Committee in its or their discretion. The grant of any such awards shall be subject to the terms of the Stock Plan and applicable award agreement which shall contain such terms and conditions as may be determined by the Board and/or the Committee.

D. Fringe Benefits and Perquisites. During the Term, the Executive shall be entitled to fringe benefits and perquisites consistent with the practices of the Companies and governing benefit plan requirements (including plan eligibility provisions), and to the extent the Companies provide similar benefits or perquisites (or both) to similarly situated executives of the Companies, subject to the Companies' authority to amend, modify or terminate such fringe benefits and perquisites at any time and from time to time.

E. Employee Benefits. During the Term, the Executive shall, to the extent eligible, be entitled to participate in the employee benefit plans, practices and programs maintained by the Companies, as in effect from time to time (collectively, the "Employee Benefit Plans"), on a basis which is no less favorable than is provided to other similarly situated executives of the Companies, to the extent consistent with Applicable Law and the terms of the applicable Employee Benefit Plans. The Companies reserve the right to amend, suspend, modify or terminate any Employee Benefit Plans at any time in its sole discretion, subject to the terms of such Employee Benefit Plan and Applicable Law.

F. Paid Time Off. The Executive is entitled to unlimited Paid Time Off ("PTO"), as long as the Executive fulfills his or her job duties. Such paid time shall include time off for sickness, vacation or personal reasons. The time or times during which leave may be taken shall be by mutual agreement of the Companies and the Executive. Whenever possible, the Companies agree to accommodate and grant the Executive's request for time. Since the Executive does not accrue PTO, the Companies will not compensate for any PTO upon termination of the Agreement.

G. Business Expenses. The Executive shall be entitled to reimbursement for all reasonable and necessary out-of-pocket business, entertainment, and travel expenses incurred by the Executive in connection with the performance of the Executive's duties hereunder in accordance with the Companies' expense reimbursement policies and procedures and Section XXI herein.

H. Clawback and Related Provisions. Notwithstanding any other provision in this Agreement to the contrary, any incentive-based or other compensation paid to the Executive under this Agreement or any other agreement, plan or arrangement with the Companies which is subject to recovery under any Applicable Law (including any SEC or stock exchange listing requirement) or any forfeiture, clawback or other policy adopted by the Companies will be subject to such forfeiture, deductions and clawback as may apply pursuant to such Applicable Law or any such policy, as applicable to the Executive from time to time. The Companies will make any determination for clawback or recovery in its or their sole discretion and in accordance with any Applicable Law. In addition, without limiting the effect of the foregoing, the Executive acknowledges and agrees that he or she shall be subject to, and shall abide by, any equity retention policy, stock ownership guidelines and/or other policies adopted by the Companies, each as in effect from time to time and to the extent applicable to the Executive.

V. Termination of Employment. The Term and the Executive's employment hereunder may be terminated by the Companies or the Executive at any time and for any reason; provided that, unless otherwise provided herein, either party shall be required to give the other party at least thirty (30) days' advance written notice of any termination of the Executive's employment. On termination of the Executive's employment during the Term, the Executive shall be entitled to the compensation and benefits described in this Section V and shall have no further rights to any compensation or any other benefits from the Companies or any other Affiliates of the Companies.

A. Termination For Cause or Without Good Reason.

1. The Executive's employment hereunder may be terminated by the Companies for Cause (as defined below) or by the Executive without Good Reason (as defined below). If the Executive's employment is terminated by the Companies for Cause, or by the Executive without Good Reason, the Executive shall be entitled to receive:

a. any accrued but unpaid Base Salary, which shall be paid in accordance with the Companies' customary payroll procedures within thirty (30) days following the Termination Date (as defined below);

b. reimbursement for unreimbursed business expenses properly incurred by the Executive, which shall be subject to and paid in accordance with the Companies' expense reimbursement policy and Section XXI herein; and

c. such employee benefits, if any, to which the Executive may be entitled under the Companies' employee benefit plans as of the Termination Date; provided that, in no event shall the Executive be entitled to any payments in the nature of severance or termination payments except as specifically provided herein.

d. The treatment of any outstanding equity awards granted to the Executive shall be subject to the terms of the Stock Plan and applicable award agreements.

Items V.A.1.a through V.A.1.c are referred to herein collectively as the "Accrued Amounts".

2. For purposes of this Agreement, "Cause" shall mean:

a. the Executive's willful or material failure to perform Executive's duties (other than any such failure resulting from incapacity due to physical or mental illness);

b. the Executive's willful failure to comply with any valid and legal directive of the Board (or, if applicable, the person or entity to whom the Executive reports);

c. the Executive's engagement in dishonesty, illegal conduct or other misconduct, which is, in each case, materially injurious to the Companies or their Affiliates;

d. the Executive's embezzlement, misappropriation or fraud, whether or not related to the Executive's employment with the Companies;

e. the Executive's conviction of or plea of guilty or nolo contendere to a crime that constitutes a felony (or state law equivalent) or a crime that constitutes a misdemeanor involving moral turpitude;

f. the Executive's material violation of the Companies' written policies or codes of conduct, including but not limited to written policies related to discrimination, harassment, performance of illegal or unethical activities and ethical misconduct;

g. the Executive's material breach of any material obligation under this Agreement, the Covenants Agreement or any other written agreement between the Executive and the Companies;

h. the Executive's engagement in conduct that brings or is reasonably likely to bring the Companies negative publicity or into public disgrace, embarrassment or disrepute; or

i. the knowing misstatement by the Executive of the financial records of the Companies or complicit actions in respect thereof, or knowing failure to disclose material financial or other information to the Board, or the Executive's engagement in conduct that results in the Executive's obligation to reimburse the either of the Companies for the amount of any bonus, incentive-based compensation, equity-based compensation, profits realized from the sale of the Parent's securities or other compensation pursuant to application of the provisions of Section 304 of the Sarbanes-Oxley Act of 2002, Section 954 of the Dodd-Frank Wall Street Reform and Consumer Protection Act or other Applicable Law or pursuant to any clawback or recoupment policy, plan or agreement of either of the Companies.

For purposes of this provision, no act or failure to act on the part of the Executive shall be considered "willful" unless it is done, or omitted to be done, by the Executive in bad faith or without reasonable belief that the Executive's action or omission was in the best interests of the Companies. Any act, or failure to act, based on authority given pursuant to a resolution duly adopted by the Board or on the advice of counsel for the Companies shall be conclusively presumed to be done, or omitted to be done, by the Executive in good faith and in the best interests of the Companies.

Termination of the Executive's employment shall not be deemed to be for Cause unless and until the Companies deliver to the Executive a copy of a resolution duly adopted by the affirmative vote of not less than a majority of the Board (excluding the Executive if applicable) (after reasonable written notice is provided to the Executive and the Executive is given an opportunity, together with counsel, to be heard before the Board), finding that the Executive has engaged in the conduct described in any of (a)-(i) above. Except for a failure, breach or refusal which, in the Board's reasonable discretion, is not subject to cure or cannot reasonably be expected to be cured, in which case no cure period shall be required, the Executive shall have twenty (20) days from the delivery of written notice by the Companies within which to cure any acts constituting Cause. The Companies may place the Executive on paid leave for up to sixty (60) days while determining whether there is a basis to terminate the Executive's employment for Cause. Any such action by the Companies will not constitute Good Reason.

3. For purposes of this Agreement, "Good Reason" shall mean the occurrence of any of the following, in each case during the Term without the Executive's written consent:

a. a material reduction in the Executive's Base Salary (other than a reduction in Base Salary that affects all similarly situated executives in substantially the same proportions);

b. any material and adverse breach by the Companies of any material provision of this Agreement (it being expressly understood that the Companies' decision not to renew the Agreement pursuant to Section I herein shall not constitute a breach of this Agreement or Good Reason); or

c. a material and adverse change in the Executive's title, authority, duties, reporting relationships or responsibilities (other than temporarily while the Executive is physically or mentally incapacitated or as required by Applicable Law).

The Executive cannot terminate employment for Good Reason unless the Executive has provided written notice to the Companies of the existence of the circumstances providing grounds for termination for Good Reason within fifteen (15) days of the Executive's initial knowledge of such grounds and the Companies have had at least thirty (30) days from the date on which such notice is provided to cure such circumstances, and the Companies fail to cure such grounds within that thirty (30)-day period. If the Executive does not terminate employment for Good Reason within sixty (60) days after the Executive's first knowledge of the applicable grounds, then the Executive will be deemed to have waived the right to terminate for Good Reason with respect to such grounds.

B. Without Cause or for Good Reason. The Term and the Executive's employment hereunder may be terminated by the Executive for Good Reason or by the Companies without Cause. In the event of such termination, the Executive shall be entitled to receive the Accrued Amounts and, subject to the Executive's compliance with the Covenants Agreements and the Executive's execution of a release of claims in favor of the Companies, its or their Affiliates and its or their respective officers and directors in a form provided by the Companies (the "Release") and such Release becoming effective within sixty (60) days following the Termination Date (such sixty (60)-day period, the "Release Execution Period"), the Executive shall be entitled to receive the following:

1. a severance payment equal to one (1) times the sum of the Executive's then-current Base Salary (prior to a material reduction described in Section V.A.3.a above) for the year in which the Termination Date occurs, which shall be paid on the Companies' regular payroll dates over a period of twelve (12) months, beginning with the first regular payroll date that occurs on or after sixty (60) days following the Termination Date; provided that, if the Release Execution Period begins in one taxable year and ends in another taxable year, payment shall not be made until the beginning of the second taxable year.

2. If the Executive timely and properly elects health continuation coverage under the Consolidated Omnibus Budget Reconciliation Act of 1985 ("COBRA"), the Companies shall reimburse the Executive for a portion of the monthly COBRA premium paid by the Executive for the Executive and the Executive's dependents equal to the monthly employer contribution that the Company would have made to provide health insurance to the Executive if the Executive had remained employed by the Company. Such reimbursement shall be paid to the Executive on the thirtieth (30th) day of the month immediately following the month in which the Executive timely remits the premium payment. The Executive shall be eligible to receive such reimbursement until the earliest of: (i) the twelve (12)-month anniversary of the Termination Date; (ii) the date the Executive is no longer eligible to receive COBRA continuation coverage; and (iii) the date on which the Executive becomes eligible to receive substantially similar coverage from another employer or other source. Notwithstanding the foregoing, if the Companies' making payments under this Section V.B would violate the nondiscrimination rules applicable to non-grandfathered plans under the Affordable Care Act (the "ACA"), or result in the imposition of penalties under the ACA and the related regulations and guidance promulgated thereunder), the parties agree to reform this Section V.B in a manner as is necessary to comply with the ACA.

3. If the Executive is not a participant in a health insurance plan offered by the Companies as of the Termination Date, the Companies shall reimburse the Executive for a portion of the reasonable and documented monthly premium paid by the Executive to maintain different health insurance for the Executive and the Executive's dependents in an amount no greater than would have been provided to the Executive if the Executive had elected COBRA continuation coverage under Section V.B, for a participant in the "base" health insurance plan offered by the Company. Such reimbursement shall be paid to the Executive on the thirtieth (30th) day of the month immediately following the month in which the Executive submits documentation to the Company of the Executive's timely remittance of the premium payment. The Executive shall be eligible to receive such reimbursement until the earliest of: (i) the twelve (12)-month anniversary of the Termination Date and (ii) the date on which the Executive becomes eligible to receive substantially similar coverage from another employer or other source.

4. The treatment of any outstanding equity awards shall be determined in accordance with the terms of the Stock Plan and applicable award agreements.

C. Death or Disability.

1. The Executive's employment hereunder shall terminate automatically on the Executive's death during the Term, and the Companies may terminate the Executive's employment on account of the Executive's Disability.

2. If the Executive's employment is terminated during the Term on account of the Executive's death or Disability, the Executive (or the Executive's estate and/or beneficiary, as the case may be) shall be entitled to receive the following:

   a. the Accrued Amounts; and

   b. in the case of Disability, and subject to execution by the Executive (or his or her personal representative if applicable) of the Release and the Executive's compliance with the Covenants Agreement, a severance payment equal to one (1) times the Executive's Base Salary for the year in which the Termination Date occurs, which shall be paid on the Companies' regular payroll dates over a period of twelve (12) months, beginning with the first regular payroll date that occurs on or after sixty (60) days following the Termination Date; provided that, if the Release Execution Period begins in one taxable year and ends in another taxable year, payment shall not be made until the beginning of the second taxable year.

      Notwithstanding any other provision contained herein, all payments made in connection with the Executive's Disability shall be provided in a manner which is consistent with federal and state law.

3. For purposes of this Agreement, "Disability" shall mean the Executive's inability to perform the essential duties of the Executive's position, with or without any reasonable accommodations, because of the Executive's mental or physical illness, injury, impairment or incapacity, as interpreted and applied consistent with the Americans with Disabilities Act and other Applicable Law, for a period in excess of ninety (90) consecutive days in any calendar year. The Committee shall exercise reasonable discretion to determine if a Disability has occurred.

4. The treatment of any outstanding equity awards shall be determined in accordance with the terms of the Stock Plan and applicable award agreements.

D. Notice of Termination. Any termination of the Executive's employment hereunder by the Companies or by the Executive during the Term (other than termination pursuant to Section V.C.1 on account of the Executive's death) shall be communicated by written notice of termination ("Notice of Termination") to the other party hereto in accordance with Section XXIV. The Notice of Termination shall specify:

1. The termination provision of this Agreement relied upon;

2. To the extent applicable, the facts and circumstances claimed to provide a basis for termination of the Executive's employment under the provision so indicated; and

3. The applicable Termination Date.

E. Termination Date. The Executive's "Termination Date" shall be:

1. If the Executive's employment hereunder terminates on account of the Executive's death, the date of the Executive's death;

2. If the Executive's employment hereunder is terminated following the Executive's Disability, the date that it is determined by the Committee that the Executive has terminated employment following a Disability;

3. If the Executive's employment hereunder is terminated for Cause, the date the Notice of Termination is delivered to the Executive;

4. If Executive's employment hereunder is terminated without Cause, the date specified in the Notice of Termination, which shall be no less than thirty (30) days following the date on which the Notice of Termination is delivered; provided that, the Companies shall have the option to instruct the Executive not to perform any further work after receiving the Notice of Termination (but the Executive shall continue to receive compensation and benefits under this Agreement through the date of termination);

5. If the Executive terminates the Executive's employment hereunder without Good Reason, the date specified in the Executive's Notice of Termination, which shall be no less than thirty (30) days following the date on which the Notice of Termination is delivered; provided that, the Companies may waive all or any part of the thirty (30)-day notice period for no consideration by giving written notice to the Executive and for all purposes of this Agreement, the Executive's Termination Date shall be the date determined by the Company; and

6. If the Executive terminates the Executive's employment hereunder with Good Reason, the date the Executive's Notice of Termination is delivered to the Company.

Notwithstanding anything contained herein, the Termination Date shall not occur until the date on which the Executive incurs a "separation from service" within the meaning of Section 409A.

F. Mitigation. In no event shall the Executive be obligated to seek other employment or take any other action by way of mitigation of the amounts payable to the Executive under any of the provisions of this Agreement and except as provided in Section V.B.2, any amounts payable pursuant to this Section V shall not be reduced by compensation the Executive earns on account of employment with another employer.

G. Resignation of All Other Positions. On termination of the Executive's employment hereunder for any reason, the Executive agrees to resign, and shall be deemed to have resigned, effective on the Termination Date, from all positions that the Executive holds as an officer or member of the Board (or a committee thereof) of the Parent, and the board (or a committee thereof) of the Company and any other Affiliates of the Companies.

H. Section 280G.

1. If any of the payments or benefits received or to be received by the Executive (including, without limitation, any payment or benefits received in connection with a change of control or the Executive's termination of employment, whether pursuant to the terms of this Agreement or any other plan, arrangement or agreement, or otherwise) (all such payments collectively referred to herein as the "280G Payments") constitute "parachute payments" within the meaning of Section 280G of the Code and would, but for this Section V.H, be subject to the excise tax imposed under Section 4999 of the Code (the "Excise Tax"), then prior to making the 280G Payments, a calculation shall be made comparing (i) the Net Benefit (as defined below) to the Executive of the 280G Payments after payment of the Excise Tax to (ii) the Net Benefit to the Executive if the 280G Payments are limited to the extent necessary to avoid being subject to the Excise Tax. Only if the amount calculated under (i) above is less than the amount under (ii) above will the 280G Payments be reduced to the minimum extent necessary to ensure that no portion of the 280G Payments is subject to the Excise Tax. "Net Benefit" shall mean the present value of the 280G Payments net of all federal, state, local, foreign income, employment, and excise taxes. Any reduction made pursuant to this Section V.H shall be made in a manner determined by the Companies that is consistent with the requirements of Section 409A.

2. All calculations and determinations under this Section V.H shall be made by an independent accounting firm or independent tax counsel appointed by the Companies (the "Tax Counsel") whose determinations shall be conclusive and binding on the Companies and the Executive for all purposes. For purposes of making the calculations and determinations required by this Section V.H, the Tax Counsel may rely on reasonable, good faith assumptions and approximations concerning the application of Section 280G and Section 4999 of the Code. The Companies and the Executive shall furnish the Tax Counsel with such information and documents as the Tax Counsel may reasonably request in order to make its determinations under this Section V.H. The Companies shall bear all costs the Tax Counsel may reasonably incur in connection with its services.

VI. Compliance with Restrictive Covenants. The Executive acknowledges and agrees that the Companies' obligation to pay any benefits under Section V, other than the Accrued Amounts, is contingent upon the Executive's compliance with the Covenants Agreement and any other restrictive covenants that are applicable to the Executive. Notwithstanding any other provision to the contrary in the Agreement, in the event the Executive fails or ceases to fully abide by the Covenants Agreement or any other restrictive covenants applicable to the Executive, whether or not any such covenant(s) are ultimately deemed to be invalid or unenforceable, then the Executive acknowledges and agrees that Executive shall not be eligible to receive, and will forfeit, any and all benefits under Section V other than the Accrued Amounts, except that the Executive will be entitled to $1,000 of the severance benefits provided under Section V. If the Executive has already received any such severance benefits provided in Section V (other than the Accrued Amounts) at the time the Executive violates any such covenant, whether or not the covenants are ultimately deemed invalid or unenforceable as set forth in the preceding sentence, then, in addition to any rights of the Companies under Section IV.H herein, the Executive is deemed to have acknowledged that the Companies will immediately be entitled to recover all such gross amounts in full from the Executive, except that the Executive may retain $1,000 of such severance benefits.

VII. Protected Rights. Notwithstanding anything in the Agreement or the Covenants Agreement to the contrary, (i) nothing in the Agreement, including but not limited to any release provided under the Agreement, or other agreement prohibits the Executive from reporting possible violations of law or regulation to any governmental agency or entity, including but not limited to the Department of Justice, the SEC, the Congress and any agency Inspector General (the "Government Agencies"), or communicating with the Government Agencies or otherwise participating in any investigation or proceedings that may be conducted by the Government Agencies, including providing documents or other information, or engaging in any concerted activities or other actions as protected by the National Labor Relations Act; (ii) the Executive does not need the prior authorization of the Companies to take any action described in (i), and the Executive is not required to notify the Companies that he or she has taken any action described in (i); and (iii) neither the Agreement nor such release limits the Executive's right to receive an award for providing information relating to a possible securities law violation to the SEC. Further, notwithstanding the foregoing, the Executive shall not be held criminally or civilly liable under any federal, state, or local trade secret law for the disclosure of a trade secret that (x) is made (A) in confidence to a federal, state, or local official, either directly or indirectly, or to an attorney; and (B) solely for the purpose of reporting or investigating a suspected violation or law; or (y) is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal. Additionally, an individual suing an employer for retaliation based on the reporting of a suspected violation of law may disclose a trade secret to his or her attorney and use the trade secret information in the court proceeding, so long as any document containing the trade secret is filed under seal and the individual does not disclose the trade secret except pursuant to court order.

VIII. Non-Disparagement. Subject to Executive's protected rights under Section VII hereof and Applicable Law, the Executive covenants and agrees that, during the term of the Executive's employment and thereafter, the Executive shall not make any disparaging remarks, or any remarks that could reasonably be construed as disparaging, regarding the Companies or its or their Affiliates, or its or their officers, directors, employees, stockholders, representatives or agents. The Companies shall, except to the extent otherwise required by Applicable Law or as appropriate in the exercise of the fiduciary duties of the Board or the board of directors of the Company (as determined by the Board or the board of directors of the Company, with advice of counsel), as applicable, exercise reasonable efforts to cause the following individuals to refrain from making, and refrain from instructing or encouraging others to make, any disparaging statements, orally or in writing, regarding the Executive from and after the termination of the Executive's employment: the Companies' executive officers and the members of the Board.

IX. Non-Diversion of Business Opportunity. During the Executive's employment with the Companies and consistent with the Executive's duties and fiduciary obligations to the Companies, the Executive shall (i) disclose to the Companies any business opportunity that comes to the Executive's attention during the Executive's employment with the Companies and that relates to the business of the Companies or otherwise arises as a result of the Executive's employment with the Companies, and (ii) not take advantage of or otherwise divert any such opportunity for the Executive's own benefit or that of any other person or entity without prior written consent of the Companies.

X. Cooperation. The parties agree that certain matters in which the Executive will be involved during the Term may necessitate the Executive's cooperation in the future. Accordingly, following the termination of the Executive's employment for any reason, to the extent reasonably requested by the Board, the Executive shall cooperate with the Companies in connection with matters arising out of the Executive's service to the Companies; provided that, the Companies shall make reasonable efforts to minimize disruption of the Executive's other activities. The Companies shall reimburse the Executive for reasonable expenses incurred in connection with such cooperation and, to the extent that the Executive is required to spend substantial time on such matters, the Companies shall provide reasonable compensation to the Executive for such services.

XI. Acknowledgement. The Executive acknowledges and agrees that the services to be rendered by the Executive to the Companies are of a special and unique character; that the Executive will obtain knowledge and skill relevant to the Companies' industry, methods of doing business and marketing and other strategies by virtue of the Executive's employment; and that the restrictive covenants and other terms and conditions of this Agreement and the Covenants Agreement are reasonable and reasonably necessary to protect the legitimate business interest of the Companies.

XII. Remedies. In the event of a breach or threatened breach by the Executive of the Agreement or the Covenants Agreement, the Executive hereby consents and agrees that the Companies shall be entitled to seek, in addition to other available remedies, a temporary or permanent injunction or other equitable relief against such breach or threatened breach from any court of competent jurisdiction, and that money damages would not afford an adequate remedy, without the necessity of showing any actual damages, and without the necessity of posting any bond or other security. The aforementioned equitable relief shall be in addition to, not in lieu of, legal remedies, monetary damages or other available forms of relief.

XIII. Arbitration. Any dispute, controversy, or claim arising out of or related to this Agreement or any breach of this Agreement or the Executive's employment, whether the claim arises in contract, tort, or statute, shall be submitted to and decided by binding arbitration. Executive and the Companies expressly acknowledge and agree that by entering into this Agreement, Executive and the Companies waive any right to a jury trial on any dispute or claim that is subject to binding arbitration under this Agreement. Any arbitration under this Agreement shall be conducted pursuant to the Employment Arbitration Rules and Mediation Procedures of the American Arbitration Association ("AAA") then in effect. Any arbitration shall be heard before a single arbitrator and shall be held in Atlanta, Georgia. Unless otherwise agreed, the costs and expenses of arbitration, including compensation and expenses of the arbitrator, shall be borne by the parties in accordance with AAA rules. Each party will bear its own attorneys' fees, and the arbitrator will not have authority to award attorneys' fees unless a statutory section at issue in the dispute or this Agreement authorizes the award of attorneys' fees to the prevailing party, in which case the arbitrator has authority to make such award as permitted by the statute in question. The parties agree that any arbitration award shall be enforceable in any court of competent jurisdiction. Notwithstanding the foregoing, nothing in this Section XIII shall prohibit either party from seeking provisional remedies, including without limitation preliminary injunctions and temporary restraining orders, in a court of competent jurisdiction.

XIV. Return of Property of the Companies. Upon any voluntary or involuntary termination of the Executive's employment (or at any time upon request of the Companies), the Executive shall immediately surrender and return to the Companies all property of or relating to the Companies (including, without limitation, all records, notes, documents, forms, manuals, photographs, instructions, lists, drawings, blueprints, programs, diagrams, equipment, supplies, electronic files, passwords, log-in credentials, client-related and other records, notes, materials, computer-generated or computer-retrievable data or other data, computer disks, software or other written, printed or electronic material, which pertain to the business of the Companies or that may or may not relate to or otherwise comprise or contain confidential information or trade secrets, as defined in the Covenants Agreement) that the Executive created, used, possessed, had access to or maintained while working for the Companies from whatever source and whenever created, including all reproductions or excerpts thereof. This provision does not apply to purely personal documents of the Executive, but it does apply to business calendars, customer lists, contact information, computer programs, laptops, computers, cell phones, smartphones, personal digital assistants, disks and their contents and like information that may contain some personal matters of the Executive. The Executive acknowledges that title to all such property is vested in the Companies. The Executive expressly agrees that the Companies, upon termination of the Executive's employment or at any time upon request of the Companies, may have access to and review any computer(s), smart phones or similar equipment utilized by the Executive at least in part for the Companies' businesses, whether owned by the Executive or by the Companies, to determine if there is any business-related information thereon, and the Companies may require that any such information be deleted if it determines that such is in the best interests of the Companies.

XV. Governing Law: Jurisdiction and Venue. This Agreement, for all purposes, shall be construed in accordance with the laws of Delaware without regard to conflicts of law principles. Any action or proceeding by either of the parties to enforce this Agreement that is not subject to the mandatory arbitration provision in Section XIII shall be brought only in a state or federal court located in the state of Delaware. The parties hereby irrevocably submit to the exclusive jurisdiction of such courts and waive the defense of inconvenient forum to the maintenance of any such action or proceeding in such venue.

XVI. Entire Agreement. Unless specifically provided herein, this Agreement contains all of the understandings and representations between the Executive and the Companies pertaining to the subject matter hereof and supersedes all prior and contemporaneous understandings, agreements, representations, and warranties, both written and oral, with respect to such subject matter. The parties mutually agree that the Agreement can be specifically enforced in court and can be cited as evidence in legal proceedings alleging breach of the Agreement.

XVII. Modification and Waiver. No provision of this Agreement may be amended or modified unless such amendment or modification is agreed to in writing and signed by the Executive and an authorized officer of each of the Parent and the Company. No waiver by any of the parties of any breach by another party hereto of any condition or provision of this Agreement to be performed by another party hereto shall be deemed a waiver of any similar or dissimilar provision or condition at the same or any prior or subsequent time, nor shall the failure of or delay by any of the parties in exercising any right, power, or privilege hereunder operate as a waiver thereof to preclude any other or further exercise thereof or the exercise of any other such right, power or privilege.

XVIII. Severability. Should any provision of this Agreement be held by a court of competent jurisdiction to be enforceable only if modified, or if any portion of this Agreement shall be held as unenforceable and thus stricken, such holding shall not affect the validity of the remainder of this Agreement, the balance of which shall continue to be binding upon the parties with any such modification to become a part hereof and treated as though originally set forth in this Agreement.

The parties further agree that any such court is expressly authorized to modify any such unenforceable provision of this Agreement in lieu of severing such unenforceable provision from this Agreement in its entirety, whether by rewriting the offending provision, deleting any or all of the offending provision, adding additional language to this Agreement, or by making such other modifications as it deems warranted to carry out the intent and agreement of the parties as embodied herein to the maximum extent permitted by law.

The parties expressly agree that this Agreement as so modified by the court shall be binding upon and enforceable against each of them. In any event, should one or more of the provisions of this Agreement be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provisions hereof, and if such provision or provisions are not modified as provided above, this Agreement shall be construed as if such invalid, illegal, or unenforceable provisions had not been set forth herein.

XIX. Captions; Construction. Captions and headings of the sections and paragraphs of this Agreement are intended solely for convenience and no provision of this Agreement is to be construed by reference to the caption or heading of any section or paragraph. For clarity, reference to the “Companies” includes the Parent and the Company unless the context otherwise requires.

XX. Counterparts. This Agreement may be executed in separate counterparts, each of which shall be deemed an original, but all of which taken together shall constitute one and the same instrument.

XXI. Section 409A. Notwithstanding any other provision in the Agreement to the contrary, if and to the extent that Section 409A is deemed to apply to any benefit under the Agreement, it is the general intention of the Companies that such benefits shall, to the extent practicable, comply with, or be exempt from, Section 409A, and the Agreement shall, to the extent practicable, be construed in accordance therewith. Deferrals of benefits distributable pursuant to the Agreement that are otherwise exempt from Section 409A in a manner that would cause Section 409A to apply shall not be permitted unless such deferrals are in compliance with or otherwise exempt from Section 409A. In the event that the Companies (or a successors thereto) have any stock which is publicly traded on an established securities market or otherwise and the Executive is determined to be a "specified employee" (as defined under Section 409A), any payment of deferred compensation subject to Section 409A to be made to the Executive upon a separation from service may not be made before the date that is six months after the Executive's separation from service (or death, if earlier). To the extent that the Executive becomes subject to the six-month delay rule, all payments of deferred compensation subject to Section 409A that would have been made to the Executive during the six months following his or her separation from service, if any, will be accumulated and paid to the Executive during the seventh month following his or her separation from service, and any remaining payments due will be made in their ordinary course as described in the Agreement. For the purposes herein, the phrase "termination of employment" or similar phrases will be interpreted in accordance with the term "separation from service" as defined under Section 409A if and to the extent required under Section 409A. Whenever payments under the Agreement are to be made in installments, each such installment shall be deemed to be a separate payment for purposes of Section 409A. To the extent not otherwise specified in the Agreement, all (A) reimbursements and (B) in-kind benefits provided under the Agreement shall be made or provided in accordance with the requirements of Section 409A, including, where applicable, the requirement that (1) any reimbursement is for expenses incurred during the Executive's lifetime (or during a shorter period of time specified in the Agreement); (2) the amount of expenses eligible for reimbursement, or in kind benefits provided, during a calendar year may not affect the expenses eligible for reimbursement, or in kind benefits to be provided, in any other calendar year; (3) the reimbursement of an eligible expense shall be made no later than the last day of the calendar year following the year in which the expense is incurred; and (4) the right to reimbursement or in kind benefits is not subject to liquidation or exchange for another benefit. Further, (i) in the event that Section 409A requires that any special terms, provisions, or conditions be included in the Agreement, then such terms, provisions and conditions shall, to the extent practicable, be deemed to be made a part of the Agreement, and (ii) terms used in the Agreement shall be construed in accordance with Section 409A if and to the extent required. Neither the Companies, its or their Affiliates, the Board, the Committee, the board of directors of the Company, nor its or their designees or agents makes any representations that the payments and benefits provided under the Agreement comply with Section 409A, and in no event will the Companies, its or their Affiliates, the Board, the Committee, the board of directors of the Company, nor its or their designees or agents be liable for all or any portion of any taxes, penalties, interest or other expenses that may be incurred by the Executive (or any person claiming through him or her) on account of non-compliance with Section 409A. Any payments that qualify for the "short-term deferral" exception or another exception under Code Section 409A shall be paid under the applicable exception.

XXII. Notification to Subsequent Employer. When the Executive's employment with the Companies terminates, the Executive agrees to notify any subsequent employer of any restrictive covenants that apply pursuant to this Agreement or the Covenants Agreement. The Executive will also deliver a copy of such notice to the Companies before the Executive commences employment with any subsequent employer. In addition, the Executive authorizes the Companies to provide a copy of any restrictive covenant provisions under this Agreement or the Covenants Agreement to third parties, including but not limited to, the Executive's subsequent, anticipated or possible future employer.

XXIII. Successors and Assigns. This Agreement is personal to the Executive and shall not be assigned by the Executive. Any purported assignment by the Executive shall be null and void from the initial date of the purported assignment. The Companies may assign this Agreement and its rights, together with its obligations, hereunder, to any successor or assign (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of the business or assets of the Companies, as applicable. This Agreement shall inure to the benefit of the Companies and its or their permitted successors and assigns.

XXIV. Notice. Notices provided for in this Agreement shall be in writing and shall be delivered personally or sent by registered or certified mail, return receipt requested, or by overnight carrier to the parties at the addresses set forth below (or such other addresses as specified by the parties by like notice):

If to the Parent:

Volato Group, Inc.
1954 Airport Road, Suite 124
Chamblee, GA 30341
Attn: Secretary

If to the Company:

Volato, Inc.
1954 Airport Road, Suite 124
Chamblee, GA 30341
Attn: Secretary

If to the Executive:

367 McAllister Drive
Benicia, CA 94510
Attn: Michael Prachar

XXV. Representations of the Executive. The Executive represents and warrants to the Companies that:

1. The Executive's continued employment with the Companies and the performance of duties hereunder will not conflict with or result in a violation of, a breach of, or a default under any contract, agreement or understanding to which the Executive is a party or is otherwise bound.

2. The Executive's continued employment with the Companies and the performance of duties hereunder will not violate any non-solicitation, non-competition or other similar covenant or agreement of a prior employer.

XXVI. Withholding. The Companies shall have the right to withhold from any amount payable hereunder any federal, state and local taxes in order for the Companies to satisfy any withholding tax obligation it may have under any Applicable Law.

XXVII. Survival. Upon the expiration or other termination of this Agreement, the respective rights and obligations of the parties hereto shall survive such expiration or other termination to the extent necessary to carry out the intentions of the parties under this Agreement.

XXVIII. Acknowledgement of Full Understanding. THE EXECUTIVE ACKNOWLEDGES AND AGREES THAT THE EXECUTIVE HAS FULLY READ, UNDERSTANDS AND VOLUNTARILY ENTERS INTO THIS AGREEMENT. THE EXECUTIVE ACKNOWLEDGES AND AGREES THAT THE EXECUTIVE HAS HAD AN OPPORTUNITY TO ASK QUESTIONS AND CONSULT WITH AN ATTORNEY OF THE EXECUTIVE'S CHOICE BEFORE SIGNING THIS AGREEMENT.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first above written.

Volato Group, Inc. (Parent):
By: /s/Matthew Liotta
Name: Matthew Liotta
Title: Chief Executive Officer

Volato, Inc. (Company):
By: /s/Matthew Liotta
Name: Matthew Liotta
Title: Chief Executive Officer

EXECUTIVE
Signature: Michael Prachar
Name: Michael Prachar

Exhibit 10.8

Employment Agreement

This Employment Agreement (the "Agreement") is made and entered into as of December 1, 2023, by and among Keith Rabin (the "Executive"), Volato Group, Inc. (fka PROOF Acquisition Corp I, the "Parent"), and Volato, Inc. (the "Company," and together with the Parent, the "Companies").

WHEREAS, pursuant to the terms of that certain Business Combination Agreement, dated August 1, 2023, by and among the Parent, PACI Merger Sub, Inc., and the Company, the Company will become a wholly-owned subsidiary of the Parent following the closing of the transaction (such transactions collectively the "Merger");

WHEREAS, the Executive has been employed by the Company since April 25, 2022 and currently serves as President and Chief Financial Officer of the Company;

WHEREAS, in connection with the Merger, the parties desire to enter into this Agreement in order to promote the Executive's retention and service following the closing date of the Merger (the "Effective Date"), to incentivize the Executive to grow the Companies and their market position and to better reflect the Executive's value to the Companies;

WHEREAS, in connection with entering into the Agreement, the Companies and Executive intend to enter into that certain Employee Invention Assignment, Restrictive Covenants, and Confidentiality Agreement effective as of the Effective Date (such agreement, as it may be amended and/or restated, the "Covenants Agreement"), pursuant to which the Executive shall be subject to certain non-solicitation, confidentiality, proprietary rights and other restrictions, and which Covenants Agreement replaces and supersedes the existing Employee Invention Assignment, Restrictive Covenants and Confidentiality Agreement dated as of April 20, 2022 between the Company and the Executive;

WHEREAS, following consummation of the Merger, the Company anticipates that the Parent will grant the Executive an equity award as referenced herein; and

WHEREAS, the Executive acknowledges and agrees that the grant of the equity award, the severance benefits and the other benefits the Executive is receiving under this Agreement constitute new consideration and benefits to which the Executive is not otherwise entitled.

NOW, THEREFORE, in consideration of the mutual covenants, promises and obligations set forth herein, the parties agree as follows:

I. Term. Unless this Agreement shall sooner terminate pursuant to Section V of this Agreement, the initial term of this Agreement shall be one (1) year commencing on the Effective Date (the "Initial Term"). Following the Initial Term, this Agreement shall be deemed to be automatically renewed for a successive renewal period of six (6) months (the "Renewal Term"), unless the Board of Directors of the Parent (the "Board"), at least thirty (30) days prior to the expiration of the Initial Term, provides written notice to the Executive that this Agreement shall not be renewed. The period during which the Executive is employed pursuant to this Agreement, including during the Initial Term and any Renewal Term, shall be referred to as the "Term." If the Executive remains employed by the Company after the Term, then the Executive shall no longer be entitled to any severance payments or benefits under his Agreement and any severance rights the Executive may have shall be according to the terms and conditions established between the Company and the Executive from time to time.

II. Position and Duties.

A. Position. During the Term, the Executive (i) shall serve as the President of the Companies and (ii) shall serve as the Chief Financial Officer of the Companies until such time as the Companies have appointed a successor to serve as Chief Financial Officer, reporting to the Chief Executive Officer of the Parent (the "CEO") and the Board. In such position, the Executive shall have such duties, authority and responsibilities as are consistent with the Executive's position and such duties, authority and responsibilities as shall be determined from time to time by the CEO and/or the Board and in accordance with applicable laws, rules and regulations ("Applicable Law"). The Executive shall, if requested, also serve as a member of the Board or as an officer or director of any Affiliate of the Companies for no additional compensation. For the purposes of the Agreement, an "Affiliate" shall mean a person or entity controlling, controlled by or under common control with the Company or the Parent. The Executive acknowledges and agrees that the CEO and/or the Board may determine that the Executive's title, duties and/or responsibilities may be modified as appropriate to facilitate the hiring of and transition to a new Chief Financial Officer of the Companies (and that such modification for such purpose shall not constitute Good Reason as defined in Section V.A.3 herein). The Executive agrees to use his best efforts to assist with the hiring and transition of a successor Chief Financial Officer of the Companies.

B. Duties. During the Term, the Executive shall devote substantially all of the Executive's business time and attention to the performance of the Executive's duties hereunder and will not engage in any other business, profession or occupation for compensation or otherwise which would conflict or interfere with the performance of such services either directly or indirectly without the prior written consent of the Board. Notwithstanding the foregoing, the Executive will be permitted to (a) with the prior written consent of the Board (which consent can be withheld by the Board in its discretion) act or serve as a director, trustee, committee member or principal of any type of business, civic or charitable organization, and (b) purchase or own less than five percent (5%) of the publicly traded securities of any corporation; provided that such ownership represents a passive investment and that the Executive is not a controlling person of, or a member of a group that controls, such corporation; provided further that the activities described in clauses (a) and (b) of this Section II.B do not interfere with the performance of the Executive's duties and responsibilities to the Companies as provided hereunder, including, but not limited to, the obligations set forth in Section II herein.

III. Place of Performance. During the Term, the Executive shall be entitled to perform his or her duties primarily on a remote basis; provided that the Executive shall be required to travel on business for the Companies during the Term as necessary for the performance of the Executive's duties or as reasonably requested by the Companies; and provided further, that upon the establishment of new headquarters for the Companies, the Companies reserve the right to require the Executive to perform the Executive's duties at such headquarters, as deemed necessary or appropriate by the CEO or the Board from time to time. The Companies will offer relocation assistance subject to the terms of a separate relocation assistance agreement in the event the Executive relocates his or her residence to such new headquarters.

IV. Compensation.

A. Base Salary. The Companies shall pay the Executive an annual base salary of $300,000.00, payable in periodic installments in accordance with the Companies' customary payroll practices and applicable wage payment laws, and pro rated based on employment for any partial calendar year. The Executive's base salary shall be reviewed periodically by the Board and/or the Compensation Committee of the Board (the "Committee") and the Board and/or the Committee may, but shall not be required to, adjust the base salary during the Term. The Executive's annual base salary, as in effect from time to time, is hereinafter referred to as the "Base Salary."

B. Annual Bonus.

1. For each calendar year of the Term, the Executive will be eligible to receive an annual target bonus in an amount equal to one hundred percent (100%) of the Executive's Base Salary (each, an "Annual Bonus"), with an opportunity to receive a maximum bonus of 200% of Base Salary, based on the achievement of such performance factors and such other terms and conditions as may be established by the Board and/or the Committee; provided that, depending on results, the Executive's actual bonus may be higher or lower than the target bonus amount. For clarity, the decision to award any Annual Bonus and the amount and terms of any Annual Bonus shall be in the sole and absolute discretion of the Board or the Compensation Committee.

2. The Annual Bonus, if any, will be paid within two and a half (2-1/2) months after the end of the applicable calendar year or otherwise in a manner intended to be in accordance with or exempt from Section 409A ("Section 409A") of the Internal Revenue Code of 1986, as amended (the "Code"). Except as otherwise provided in Section V, (i) the Annual Bonus will be subject to any short-term incentive plan or program of the Companies under which it is granted, which short-term incentive plan or program shall be subject to such terms and conditions as may be determined by the Board and/or the Committee, and (ii) in order to be eligible to receive an Annual Bonus, the Executive must be employed by the Companies on the date that Annual Bonuses are paid.

C. Equity Awards. As soon as reasonably practicable following the Effective Date, the Company will recommend that the Board of Parent grant to the Executive an equity award (the "Initial Award") for such number of shares of the Parent's common stock (the "Common Stock") as may be determined by the Board and/or the Committee. The Initial Award shall include a performance-based vesting condition, pursuant to which (i) thirty percent (30%) of the number of shares of Common Stock subject to the Initial Award shall vest and, if applicable, become exercisable upon the market price of the Common Stock (as determined based on trading on Nasdaq or other applicable stock exchange) being equal to or exceeding $12.50 per share for thirty (30) consecutive trading days, and the remaining seventy percent (70%) of the number of shares of Common Stock subject to the Initial Award shall vest and, if applicable, become exercisable upon the market price of the Common Stock being equal to or exceeding $15.00 per share for thirty (30) consecutive trading days. The Initial Award shall be in such form and subject to such other terms and conditions as may be determined by the Board and/or the Committee. The Initial Award shall be subject to the Parent's 2023 Stock Incentive Plan (such plan, as it may be amended and/or restated, the "2023 Plan") and applicable award agreement which shall contain such terms and conditions as may be determined by the Board and/or the Committee. The grant of the Initial Award shall be contingent upon the effectiveness of the registration with the U.S. Securities and Exchange Commission (the "SEC") of the shares issuable under the 2023 Plan on a Form S-8 registration statement and compliance with other Applicable Law and shall be made as soon as practicable after the effectiveness of the Form S-8 registration statement. Following the grant of the Initial Award, during the Term the Executive shall be eligible to participate in the 2023 Plan or any successor stock incentive plan (collectively, such plans, as they may be amended and/or restated, the "Stock Plan") on such terms and conditions as may be determined by the Board and/or the Committee in its or their discretion. The grant of any such awards shall be subject to the terms of the Stock Plan and applicable award agreement which shall contain such terms and conditions as may be determined by the Board and/or the Committee.

D. Fringe Benefits and Perquisites. During the Term, the Executive shall be entitled to fringe benefits and perquisites consistent with the practices of the Companies and governing benefit plan requirements (including plan eligibility provisions), and to the extent the Companies provide similar benefits or perquisites (or both) to similarly situated executives of the Companies, subject to the Companies' authority to amend, modify or terminate such fringe benefits and perquisites at any time and from time to time.

E. Employee Benefits. During the Term, the Executive shall, to the extent eligible, be entitled to participate in the employee benefit plans, practices and programs maintained by the Companies, as in effect from time to time (collectively, the "Employee Benefit Plans"), on a basis which is no less favorable than is provided to other similarly situated executives of the Companies, to the extent consistent with Applicable Law and the terms of the applicable Employee Benefit Plans. The Companies reserve the right to amend, suspend, modify or terminate any Employee Benefit Plans at any time in its sole discretion, subject to the terms of such Employee Benefit Plan and Applicable Law.

F. Paid Time Off. The Executive is entitled to unlimited Paid Time Off ("PTO"), as long as the Executive fulfills his or her job duties. Such paid time shall include time off for sickness, vacation or personal reasons. The time or times during which leave may be taken shall be by mutual agreement of the Companies and the Executive. Whenever possible, the Companies agree to accommodate and grant the Executive's request for time. Since the Executive does not accrue PTO, the Companies will not compensate for any PTO upon termination of the Agreement.

G. Business Expenses. The Executive shall be entitled to reimbursement for all reasonable and necessary out-of-pocket business, entertainment, and travel expenses incurred by the Executive in connection with the performance of the Executive's duties hereunder in accordance with the Companies' expense reimbursement policies and procedures and Section XXI herein.

H. Clawback and Related Provisions. Notwithstanding any other provision in this Agreement to the contrary, any incentive-based or other compensation paid to the Executive under this Agreement or any other agreement, plan or arrangement with the Companies which is subject to recovery under any Applicable Law (including any SEC or stock exchange listing requirement) or any forfeiture, clawback or other policy adopted by the Companies will be subject to such forfeiture, deductions and clawback as may apply pursuant to such Applicable Law or any such policy, as applicable to the Executive from time to time. The Companies will make any determination for clawback or recovery in its or their sole discretion and in accordance with any Applicable Law. In addition, without limiting the effect of the foregoing, the Executive acknowledges and agrees that he or she shall be subject to, and shall abide by, any equity retention policy, stock ownership guidelines and/or other policies adopted by the Companies, each as in effect from time to time and to the extent applicable to the Executive.

V. Termination of Employment. The Term and the Executive's employment hereunder may be terminated by the Companies or the Executive at any time and for any reason; provided that, unless otherwise provided herein, either party shall be required to give the other party at least thirty (30) days' advance written notice of any termination of the Executive's employment. On termination of the Executive's employment during the Term, the Executive shall be entitled to the compensation and benefits described in this Section V and shall have no further rights to any compensation or any other benefits from the Companies or any other Affiliates of the Companies.

A. Termination For Cause or Without Good Reason.

1. The Executive's employment hereunder may be terminated by the Companies for Cause (as defined below) or by the Executive without Good Reason (as defined below). If the Executive's employment is terminated by the Companies for Cause, or by the Executive without Good Reason, the Executive shall be entitled to receive:

a. any accrued but unpaid Base Salary, which shall be paid in accordance with the Companies' customary payroll procedures within thirty (30) days following the Termination Date (as defined below);

b. reimbursement for unreimbursed business expenses properly incurred by the Executive, which shall be subject to and paid in accordance with the Companies' expense reimbursement policy and Section XXI herein; and

c. such employee benefits, if any, to which the Executive may be entitled under the Companies' employee benefit plans as of the Termination Date; provided that, in no event shall the Executive be entitled to any payments in the nature of severance or termination payments except as specifically provided herein.

d. The treatment of any outstanding equity awards granted to the Executive shall be subject to the terms of the Stock Plan and applicable award agreements.

Items V.A.1.a through V.A.1.c are referred to herein collectively as the "Accrued Amounts".

2. For purposes of this Agreement, "Cause" shall mean:

a. the Executive's willful or material failure to perform Executive's duties (other than any such failure resulting from incapacity due to physical or mental illness);

b. the Executive's willful failure to comply with any valid and legal directive of the Board (or, if applicable, the person or entity to whom the Executive reports);

c. the Executive's engagement in dishonesty, illegal conduct or other misconduct, which is, in each case, materially injurious to the Companies or their Affiliates;

d. the Executive's embezzlement, misappropriation or fraud, whether or not related to the Executive's employment with the Companies;

e. the Executive's conviction of or plea of guilty or nolo contendere to a crime that constitutes a felony (or state law equivalent) or a crime that constitutes a misdemeanor involving moral turpitude;

f. the Executive's material violation of the Companies' written policies or codes of conduct, including but not limited to written policies related to discrimination, harassment, performance of illegal or unethical activities and ethical misconduct;

g. the Executive's material breach of any material obligation under this Agreement, the Covenants Agreement or any other written agreement between the Executive and the Companies;

h. the Executive's engagement in conduct that brings or is reasonably likely to bring the Companies negative publicity or into public disgrace, embarrassment or disrepute; or

i. the knowing misstatement by the Executive of the financial records of the Companies or complicit actions in respect thereof, or knowing failure to disclose material financial or other information to the Board, or the Executive's engagement in conduct that results in the Executive's obligation to reimburse the either of the Companies for the amount of any bonus, incentive-based compensation, equity-based compensation, profits realized from the sale of the Parent's securities or other compensation pursuant to application of the provisions of Section 304 of the Sarbanes-Oxley Act of 2002, Section 954 of the Dodd-Frank Wall Street Reform and Consumer Protection Act or other Applicable Law or pursuant to any clawback or recoupment policy, plan or agreement of either of the Companies.

For purposes of this provision, no act or failure to act on the part of the Executive shall be considered "willful" unless it is done, or omitted to be done, by the Executive in bad faith or without reasonable belief that the Executive's action or omission was in the best interests of the Companies. Any act, or failure to act, based on authority given pursuant to a resolution duly adopted by the Board or on the advice of counsel for the Companies shall be conclusively presumed to be done, or omitted to be done, by the Executive in good faith and in the best interests of the Companies.

Termination of the Executive's employment shall not be deemed to be for Cause unless and until the Companies deliver to the Executive a copy of a resolution duly adopted by the affirmative vote of not less than a majority of the Board (excluding the Executive if applicable) (after reasonable written notice is provided to the Executive and the Executive is given an opportunity, together with counsel, to be heard before the Board), finding that the Executive has engaged in the conduct described in any of (a)-(i) above. Except for a failure, breach or refusal which, in the Board's reasonable discretion, is not subject to cure or cannot reasonably be expected to be cured, in which case no cure period shall be required, the Executive shall have twenty (20) days from the delivery of written notice by the Companies within which to cure any acts constituting Cause. The Companies may place the Executive on paid leave for up to sixty (60) days while determining whether there is a basis to terminate the Executive's employment for Cause. Any such action by the Companies will not constitute Good Reason.

3. For purposes of this Agreement, "Good Reason" shall mean the occurrence of any of the following, in each case during the Term without the Executive's written consent:

   a. a material reduction in the Executive's Base Salary (other than a reduction in Base Salary that affects all similarly situated executives in substantially the same proportions);

   b. any material and adverse breach by the Companies of any material provision of this Agreement (it being expressly understood that the Companies' decision not to renew the Agreement pursuant to Section I herein shall not constitute a breach of this Agreement or Good Reason); or

   c. a material and adverse change in the Executive's title, authority, duties, reporting relationships or responsibilities (other than temporarily while the Executive is physically or mentally incapacitated or as required by Applicable Law), it being expressly understood that any modification of the Executive's duties as Chief Financial Officer of the Companies in connection with the appointment and transition of a successor Chief Financial Officer in accordance with Section II.A herein shall not constitute "Good Reason".

The Executive cannot terminate employment for Good Reason unless the Executive has provided written notice to the Companies of the existence of the circumstances providing grounds for termination for Good Reason within fifteen (15) days of the Executive's initial knowledge of such grounds and the Companies have had at least thirty (30) days from the date on which such notice is provided to cure such circumstances, and the Companies fail to cure such grounds within that thirty (30)-day period. If the Executive does not terminate employment for Good Reason within sixty (60) days after the Executive's first knowledge of the applicable grounds, then the Executive will be deemed to have waived the right to terminate for Good Reason with respect to such grounds.

B. Without Cause or for Good Reason. The Term and the Executive's employment hereunder may be terminated by the Executive for Good Reason or by the Companies without Cause. In the event of such termination, the Executive shall be entitled to receive the Accrued Amounts and, subject to the Executive's compliance with the Covenants Agreements and the Executive's execution of a release of claims in favor of the Companies, its or their Affiliates and its or their respective officers and directors in a form provided by the Companies (the "Release") and such Release becoming effective within sixty (60) days following the Termination Date (such sixty (60)-day period, the "Release Execution Period"), the Executive shall be entitled to receive the following:

1. a severance payment equal to one (1) times the sum of the Executive's then-current Base Salary (prior to a material reduction described in Section V.A.3.a above) for the year in which the Termination Date occurs, which shall be paid on the Companies' regular payroll dates over a period of twelve (12) months, beginning with the first regular payroll date that occurs on or after sixty (60) days following the Termination Date; provided that, if the Release Execution Period begins in one taxable year and ends in another taxable year, payment shall not be made until the beginning of the second taxable year.

2. If the Executive timely and properly elects health continuation coverage under the Consolidated Omnibus Budget Reconciliation Act of 1985 ("COBRA"), the Companies shall reimburse the Executive for a portion of the monthly COBRA premium paid by the Executive for the Executive and the Executive's dependents equal to the monthly employer contribution that the Company would have made to provide health insurance to the Executive if the Executive had remained employed by the Company. Such reimbursement shall be paid to the Executive on the thirtieth (30^{th}) day of the month immediately following the month in which the Executive timely remits the premium payment. The Executive shall be eligible to receive such reimbursement until the earliest of: (i) the twelve (12)-month anniversary of the Termination Date; (ii) the date the Executive is no longer eligible to receive COBRA continuation coverage; and (iii) the date on which the Executive becomes eligible to receive substantially similar coverage from another employer or other source. Notwithstanding the foregoing, if the Companies' making payments under this Section V.B would violate the nondiscrimination rules applicable to non-grandfathered plans under the Affordable Care Act (the "ACA"), or result in the imposition of penalties under the ACA and the related regulations and guidance promulgated thereunder), the parties agree to reform this Section V.B in a manner as is necessary to comply with the ACA.

3. If the Executive is not a participant in a health insurance plan offered by the Companies as of the Termination Date, the Companies shall reimburse the Executive for a portion of the reasonable and documented monthly premium paid by the Executive to maintain different health insurance for the Executive and the Executive's dependents in an amount no greater than would have been provided to the Executive if the Executive had elected COBRA continuation coverage under Section V.B, for a participant in the "base" health insurance plan offered by the Company. Such reimbursement shall be paid to the Executive on the thirtieth (30^{th}) day of the month immediately following the month in which the Executive submits documentation to the Company of the Executive's timely remittance of the premium payment. The Executive shall be eligible to receive such reimbursement until the earliest of: (i) the twelve (12)-month anniversary of the Termination Date and (ii) the date on which the Executive becomes eligible to receive substantially similar coverage from another employer or other source.

4. The treatment of any outstanding equity awards shall be determined in accordance with the terms of the Stock Plan and applicable award agreements.

C. Death or Disability.

1. The Executive's employment hereunder shall terminate automatically on the Executive's death during the Term, and the Companies may terminate the Executive's employment on account of the Executive's Disability.

2. If the Executive's employment is terminated during the Term on account of the Executive's death or Disability, the Executive (or the Executive's estate and/or beneficiary, as the case may be) shall be entitled to receive the following:

a. the Accrued Amounts; and

b. in the case of Disability, and subject to execution by the Executive (or his or her personal representative if applicable) of the Release and the Executive's compliance with the Covenants Agreement, a severance payment equal to one (1) times the Executive's Base Salary for the year in which the Termination Date occurs, which shall be paid on the Companies' regular payroll dates over a period of twelve (12) months, beginning with the first regular payroll date that occurs on or after sixty (60) days following the Termination Date; provided that, if the Release Execution Period begins in one taxable year and ends in another taxable year, payment shall not be made until the beginning of the second taxable year.

Notwithstanding any other provision contained herein, all payments made in connection with the Executive's Disability shall be provided in a manner which is consistent with federal and state law.

3. For purposes of this Agreement, "Disability" shall mean the Executive's inability to perform the essential duties of the Executive's position, with or without any reasonable accommodations, because of the Executive's mental or physical illness, injury, impairment or incapacity, as interpreted and applied consistent with the Americans with Disabilities Act and other Applicable Law, for a period in excess of ninety (90) consecutive days in any calendar year. The Committee shall exercise reasonable discretion to determine if a Disability has occurred.

4. The treatment of any outstanding equity awards shall be determined in accordance with the terms of the Stock Plan and applicable award agreements.

D. Notice of Termination. Any termination of the Executive's employment hereunder by the Companies or by the Executive during the Term (other than termination pursuant to Section V.C.1 on account of the Executive's death) shall be communicated by written notice of termination ("Notice of Termination") to the other party hereto in accordance with Section XXIV. The Notice of Termination shall specify:

1. The termination provision of this Agreement relied upon;

2. To the extent applicable, the facts and circumstances claimed to provide a basis for termination of the Executive's employment under the provision so indicated; and

3. The applicable Termination Date.

E. Termination Date. The Executive's "Termination Date" shall be:

1. If the Executive's employment hereunder terminates on account of the Executive's death, the date of the Executive's death;

2. If the Executive's employment hereunder is terminated following the Executive's Disability, the date that it is determined by the Committee that the Executive has terminated employment following a Disability;

3. If the Executive's employment hereunder is terminated for Cause, the date the Notice of Termination is delivered to the Executive;

4. If Executive's employment hereunder is terminated without Cause, the date specified in the Notice of Termination, which shall be no less than thirty (30) days following the date on which the Notice of Termination is delivered; provided that, the Companies shall have the option to instruct the Executive not to perform any further work after receiving the Notice of Termination (but the Executive shall continue to receive compensation and benefits under this Agreement through the date of termination);

5. If the Executive terminates the Executive's employment hereunder without Good Reason, the date specified in the Executive's Notice of Termination, which shall be no less than thirty (30) days following the date on which the Notice of Termination is delivered; provided that, the Companies may waive all or any part of the thirty (30)-day notice period for no consideration by giving written notice to the Executive and for all purposes of this Agreement, the Executive's Termination Date shall be the date determined by the Company; and

6. If the Executive terminates the Executive's employment hereunder with Good Reason, the date the Executive's Notice of Termination is delivered to the Company.

Notwithstanding anything contained herein, the Termination Date shall not occur until the date on which the Executive incurs a "separation from service" within the meaning of Section 409A.

F. Mitigation. In no event shall the Executive be obligated to seek other employment or take any other action by way of mitigation of the amounts payable to the Executive under any of the provisions of this Agreement and except as provided in Section V.B.2, any amounts payable pursuant to this Section V shall not be reduced by compensation the Executive earns on account of employment with another employer.

G. Resignation of All Other Positions. On termination of the Executive's employment hereunder for any reason, the Executive agrees to resign, and shall be deemed to have resigned, effective on the Termination Date, from all positions that the Executive holds as an officer or member of the Board (or a committee thereof) of the Parent, and the board (or a committee thereof) of the Company and any other Affiliates of the Companies.

H. Section 280G.

1. If any of the payments or benefits received or to be received by the Executive (including, without limitation, any payment or benefits received in connection with a change of control or the Executive's termination of employment, whether pursuant to the terms of this Agreement or any other plan, arrangement or agreement, or otherwise) (all such payments collectively referred to herein as the "280G Payments") constitute "parachute payments" within the meaning of Section 280G of the Code and would, but for this Section V.H, be subject to the excise tax imposed under Section 4999 of the Code (the "Excise Tax"), then prior to making the 280G Payments, a calculation shall be made comparing (i) the Net Benefit (as defined below) to the Executive of the 280G Payments after payment of the Excise Tax to (ii) the Net Benefit to the Executive if the 280G Payments are limited to the extent necessary to avoid being subject to the Excise Tax. Only if the amount calculated under (i) above is less than the amount under (ii) above will the 280G Payments be reduced to the minimum extent necessary to ensure that no portion of the 280G Payments is subject to the Excise Tax. "Net Benefit" shall mean the present value of the 280G Payments net of all federal, state, local, foreign income, employment, and excise taxes. Any reduction made pursuant to this Section V.H shall be made in a manner determined by the Companies that is consistent with the requirements of Section 409A.

2. All calculations and determinations under this Section V.H shall be made by an independent accounting firm or independent tax counsel appointed by the Companies (the "Tax Counsel") whose determinations shall be conclusive and binding on the Companies and the Executive for all purposes. For purposes of making the calculations and determinations required by this Section V.H, the Tax Counsel may rely on reasonable, good faith assumptions and approximations concerning the application of Section 280G and Section 4999 of the Code. The Companies and the Executive shall furnish the Tax Counsel with such information and documents as the Tax Counsel may reasonably request in order to make its determinations under this Section V.H. The Companies shall bear all costs the Tax Counsel may reasonably incur in connection with its services.

VI. Compliance with Restrictive Covenants. The Executive acknowledges and agrees that the Companies' obligation to pay any benefits under Section V, other than the Accrued Amounts, is contingent upon the Executive's compliance with the Covenants Agreement and any other restrictive covenants that are applicable to the Executive. Notwithstanding any other provision to the contrary in the Agreement, in the event the Executive fails or ceases to fully abide by the Covenants Agreement or any other restrictive covenants applicable to the Executive, whether or not any such covenant(s) are ultimately deemed to be invalid or unenforceable, then the Executive acknowledges and agrees that Executive shall not be eligible to receive, and will forfeit, any and all benefits under Section V other than the Accrued Amounts, except that the Executive will be entitled to $1,000 of the severance benefits provided under Section V. If the Executive has already received any such severance benefits provided in Section V (other than the Accrued Amounts) at the time the Executive violates any such covenant, whether or not the covenants are ultimately deemed invalid or unenforceable as set forth in the preceding sentence, then, in addition to any rights of the Companies under Section IV.H herein, the Executive is deemed to have acknowledged that the Companies will immediately be entitled to recover all such gross amounts in full from the Executive, except that the Executive may retain $1,000 of such severance benefits.

VII. Protected Rights. Notwithstanding anything in the Agreement or the Covenants Agreement to the contrary, (i) nothing in the Agreement, including but not limited to any release provided under the Agreement, or other agreement prohibits the Executive from reporting possible violations of law or regulation to any governmental agency or entity, including but not limited to the Department of Justice, the SEC, the Congress and any agency Inspector General (the "Government Agencies"), or communicating with the Government Agencies or otherwise participating in any investigation or proceedings that may be conducted by the Government Agencies, including providing documents or other information, or engaging in any concerted activities or other actions as protected by the National Labor Relations Act; (ii) the Executive does not need the prior authorization of the Companies to take any action described in (i), and the Executive is not required to notify the Companies that he or she has taken any action described in (i); and (iii) neither the Agreement nor such release limits the Executive's right to receive an award for providing information relating to a possible securities law violation to the SEC. Further, notwithstanding the foregoing, the Executive shall not be held criminally or civilly liable under any federal, state, or local trade secret law for the disclosure of a trade secret that (x) is made (A) in confidence to a federal, state, or local official, either directly or indirectly, or to an attorney; and (B) solely for the purpose of reporting or investigating a suspected violation or law; or (y) is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal. Additionally, an individual suing an employer for retaliation based on the reporting of a suspected violation of law may disclose a trade secret to his or her attorney and use the trade secret information in the court proceeding, so long as any document containing the trade secret is filed under seal and the individual does not disclose the trade secret except pursuant to court order.

VIII. Non-Disparagement. Subject to Executive's protected rights under Section VII hereof and Applicable Law, the Executive covenants and agrees that, during the term of the Executive's employment and thereafter, the Executive shall not make any disparaging remarks, or any remarks that could reasonably be construed as disparaging, regarding the Companies or its or their Affiliates, or its or their officers, directors, employees, stockholders, representatives or agents. The Companies shall, except to the extent otherwise required by Applicable Law or as appropriate in the exercise of the fiduciary duties of the Board or the board of directors of the Company (as determined by the Board or the board of directors of the Company, with advice of counsel), as applicable, exercise reasonable efforts to cause the following individuals to refrain from making, and refrain from instructing or encouraging others to make, any disparaging statements, orally or in writing, regarding the Executive from and after the termination of the Executive's employment: the Companies' executive officers and the members of the Board.

IX. Non-Diversion of Business Opportunity. During the Executive's employment with the Companies and consistent with the Executive's duties and fiduciary obligations to the Companies, the Executive shall (i) disclose to the Companies any business opportunity that comes to the Executive's attention during the Executive's employment with the Companies and that relates to the business of the Companies or otherwise arises as a result of the Executive's employment with the Companies, and (ii) not take advantage of or otherwise divert any such opportunity for the Executive's own benefit or that of any other person or entity without prior written consent of the Companies.

X. Cooperation. The parties agree that certain matters in which the Executive will be involved during the Term may necessitate the Executive's cooperation in the future. Accordingly, following the termination of the Executive's employment for any reason, to the extent reasonably requested by the Board, the Executive shall cooperate with the Companies in connection with matters arising out of the Executive's service to the Companies; provided that, the Companies shall make reasonable efforts to minimize disruption of the Executive's other activities. The Companies shall reimburse the Executive for reasonable expenses incurred in connection with such cooperation and, to the extent that the Executive is required to spend substantial time on such matters, the Companies shall provide reasonable compensation to the Executive for such services.

XI. Acknowledgement. The Executive acknowledges and agrees that the services to be rendered by the Executive to the Companies are of a special and unique character; that the Executive will obtain knowledge and skill relevant to the Companies' industry, methods of doing business and marketing and other strategies by virtue of the Executive's employment; and that the restrictive covenants and other terms and conditions of this Agreement and the Covenants Agreement are reasonable and reasonably necessary to protect the legitimate business interest of the Companies.

XII. Remedies. In the event of a breach or threatened breach by the Executive of the Agreement or the Covenants Agreement, the Executive hereby consents and agrees that the Companies shall be entitled to seek, in addition to other available remedies, a temporary or permanent injunction or other equitable relief against such breach or threatened breach from any court of competent jurisdiction, and that money damages would not afford an adequate remedy, without the necessity of showing any actual damages, and without the necessity of posting any bond or other security. The aforementioned equitable relief shall be in addition to, not in lieu of, legal remedies, monetary damages or other available forms of relief.

XIII. Arbitration. Any dispute, controversy, or claim arising out of or related to this Agreement or any breach of this Agreement or the Executive's employment, whether the claim arises in contract, tort, or statute, shall be submitted to and decided by binding arbitration. Executive and the Companies expressly acknowledge and agree that by entering into this Agreement, Executive and the Companies waive any right to a jury trial on any dispute or claim that is subject to binding arbitration under this Agreement. Any arbitration under this Agreement shall be conducted pursuant to the Employment Arbitration Rules and Mediation Procedures of the American Arbitration Association ("AAA") then in effect. Any arbitration shall be heard before a single arbitrator and shall be held in Atlanta, Georgia. Unless otherwise agreed, the costs and expenses of arbitration, including compensation and expenses of the arbitrator, shall be borne by the parties in accordance with AAA rules. Each party will bear its own attorneys' fees, and the arbitrator will not have authority to award attorneys' fees unless a statutory section at issue in the dispute or this Agreement authorizes the award of attorneys' fees to the prevailing party, in which case the arbitrator has authority to make such award as permitted by the statute in question. The parties agree that any arbitration award shall be enforceable in any court of competent jurisdiction. Notwithstanding the foregoing, nothing in this Section XIII shall prohibit either party from seeking provisional remedies, including without limitation preliminary injunctions and temporary restraining orders, in a court of competent jurisdiction.

XIV. Return of Property of the Companies. Upon any voluntary or involuntary termination of the Executive's employment (or at any time upon request of the Companies), the Executive shall immediately surrender and return to the Companies all property of or relating to the Companies (including, without limitation, all records, notes, documents, forms, manuals, photographs, instructions, lists, drawings, blueprints, programs, diagrams, equipment, supplies, electronic files, passwords, log-in credentials, client-related and other records, notes, materials, computer-generated or computer-retrievable data or other data, computer disks, software or other written, printed or electronic material, which pertain to the business of the Companies or that may or may not relate to or otherwise comprise or contain confidential information or trade secrets, as defined in the Covenants Agreement) that the Executive created, used, possessed, had access to or maintained while working for the Companies from whatever source and whenever created, including all reproductions or excerpts thereof. This provision does not apply to purely personal documents of the Executive, but it does apply to business calendars, customer lists, contact information, computer programs, laptops, computers, cell phones, smartphones, personal digital assistants, disks and their contents and like information that may contain some personal matters of the Executive. The Executive acknowledges that title to all such property is vested in the Companies. The Executive expressly agrees that the Companies, upon termination of the Executive's employment or at any time upon request of the Companies, may have access to and review any computer(s), smart phones or similar equipment utilized by the Executive at least in part for the Companies' businesses, whether owned by the Executive or by the Companies, to determine if there is any business-related information thereon, and the Companies may require that any such information be deleted if it determines that such is in the best interests of the Companies.

XV. Governing Law: Jurisdiction and Venue. This Agreement, for all purposes, shall be construed in accordance with the laws of Delaware without regard to conflicts of law principles. Any action or proceeding by either of the parties to enforce this Agreement that is not subject to the mandatory arbitration provision in Section XIII shall be brought only in a state or federal court located in the state of Delaware. The parties hereby irrevocably submit to the exclusive jurisdiction of such courts and waive the defense of inconvenient forum to the maintenance of any such action or proceeding in such venue.

XVI. Entire Agreement. Unless specifically provided herein, this Agreement contains all of the understandings and representations between the Executive and the Companies pertaining to the subject matter hereof and supersedes all prior and contemporaneous understandings, agreements, representations, and warranties, both written and oral, with respect to such subject matter. The parties mutually agree that the Agreement can be specifically enforced in court and can be cited as evidence in legal proceedings alleging breach of the Agreement.

XVII. Modification and Waiver. No provision of this Agreement may be amended or modified unless such amendment or modification is agreed to in writing and signed by the Executive and an authorized officer of each of the Parent and the Company. No waiver by any of the parties of any breach by another party hereto of any condition or provision of this Agreement to be performed by another party hereto shall be deemed a waiver of any similar or dissimilar provision or condition at the same or any prior or subsequent time, nor shall the failure of or delay by any of the parties in exercising any right, power, or privilege hereunder operate as a waiver thereof to preclude any other or further exercise thereof or the exercise of any other such right, power or privilege.

XVIII. Severability. Should any provision of this Agreement be held by a court of competent jurisdiction to be enforceable only if modified, or if any portion of this Agreement shall be held as unenforceable and thus stricken, such holding shall not affect the validity of the remainder of this Agreement, the balance of which shall continue to be binding upon the parties with any such modification to become a part hereof and treated as though originally set forth in this Agreement.

The parties further agree that any such court is expressly authorized to modify any such unenforceable provision of this Agreement in lieu of severing such unenforceable provision from this Agreement in its entirety, whether by rewriting the offending provision, deleting any or all of the offending provision, adding additional language to this Agreement, or by making such other modifications as it deems warranted to carry out the intent and agreement of the parties as embodied herein to the maximum extent permitted by law.

The parties expressly agree that this Agreement as so modified by the court shall be binding upon and enforceable against each of them. In any event, should one or more of the provisions of this Agreement be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provisions hereof, and if such provision or provisions are not modified as provided above, this Agreement shall be construed as if such invalid, illegal, or unenforceable provisions had not been set forth herein.

XIX. Captions; Construction. Captions and headings of the sections and paragraphs of this Agreement are intended solely for convenience and no provision of this Agreement is to be construed by reference to the caption or heading of any section or paragraph. For clarity, reference to the "Companies" includes the Parent and the Company unless the context otherwise requires.

XX. Counterparts. This Agreement may be executed in separate counterparts, each of which shall be deemed an original, but all of which taken together shall constitute one and the same instrument.

XXI. Section 409A. Notwithstanding any other provision in the Agreement to the contrary, if and to the extent that Section 409A is deemed to apply to any benefit under the Agreement, it is the general intention of the Companies that such benefits shall, to the extent practicable, comply with, or be exempt from, Section 409A, and the Agreement shall, to the extent practicable, be construed in accordance therewith. Deferrals of benefits distributable pursuant to the Agreement that are otherwise exempt from Section 409A in a manner that would cause Section 409A to apply shall not be permitted unless such deferrals are in compliance with or otherwise exempt from Section 409A. In the event that the Companies (or a successors thereto) have any stock which is publicly traded on an established securities market or otherwise and the Executive is determined to be a "specified employee" (as defined under Section 409A), any payment of deferred compensation subject to Section 409A to be made to the Executive upon a separation from service may not be made before the date that is six months after the Executive's separation from service (or death, if earlier). To the extent that the Executive becomes subject to the six-month delay rule, all payments of deferred compensation subject to Section 409A that would have been made to the Executive during the six months following his or her separation from service, if any, will be accumulated and paid to the Executive during the seventh month following his or her separation from service, and any remaining payments due will be made in their ordinary course as described in the Agreement. For the purposes herein, the phrase "termination of employment" or similar phrases will be interpreted in accordance with the term "separation from service" as defined under Section 409A if and to the extent required under Section 409A. Whenever payments under the Agreement are to be made in installments, each such installment shall be deemed to be a separate payment for purposes of Section 409A. To the extent not otherwise specified in the Agreement, all (A) reimbursements and (B) in-kind benefits provided under the Agreement shall be made or provided in accordance with the requirements of Section 409A, including, where applicable, the requirement that (1) any reimbursement is for expenses incurred during the Executive's lifetime (or during a shorter period of time specified in the Agreement); (2) the amount of expenses eligible for reimbursement, or in kind benefits provided, during a calendar year may not affect the expenses eligible for reimbursement, or in kind benefits to be provided, in any other calendar year; (3) the reimbursement of an eligible expense shall be made no later than the last day of the calendar year following the year in which the expense is incurred; and (4) the right to reimbursement or in kind benefits is not subject to liquidation or exchange for another benefit. Further, (i) in the event that Section 409A requires that any special terms, provisions, or conditions be included in the Agreement, then such terms, provisions and conditions shall, to the extent practicable, be deemed to be made a part of the Agreement, and (ii) terms used in the Agreement shall be construed in accordance with Section 409A if and to the extent required. Neither the Companies, its or their Affiliates, the Board, the Committee, the board of directors of the Company, nor its or their designees or agents makes any representations that the payments and benefits provided under the Agreement comply with Section 409A, and in no event will the Companies, its or their Affiliates, the Board, the Committee, the board of directors of the Company, nor its or their designees or agents be liable for all or any portion of any taxes, penalties, interest or other expenses that may be incurred by the Executive (or any person claiming through him or her) on account of non-compliance with Section 409A. Any payments that qualify for the "short-term deferral" exception or another exception under Code Section 409A shall be paid under the applicable exception.

XXII. Notification to Subsequent Employer. When the Executive's employment with the Companies terminates, the Executive agrees to notify any subsequent employer of any restrictive covenants that apply pursuant to this Agreement or the Covenants Agreement. The Executive will also deliver a copy of such notice to the Companies before the Executive commences employment with any subsequent employer. In addition, the Executive authorizes the Companies to provide a copy of any restrictive covenant provisions under this Agreement or the Covenants Agreement to third parties, including but not limited to, the Executive's subsequent, anticipated or possible future employer.

XXIII. Successors and Assigns. This Agreement is personal to the Executive and shall not be assigned by the Executive. Any purported assignment by the Executive shall be null and void from the initial date of the purported assignment. The Companies may assign this Agreement and its rights, together with its obligations, hereunder, to any successor or assign (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of the business or assets of the Companies, as applicable. This Agreement shall inure to the benefit of the Companies and its or their permitted successors and assigns.

XXIV. Notice. Notices provided for in this Agreement shall be in writing and shall be delivered personally or sent by registered or certified mail, return receipt requested, or by overnight carrier to the parties at the addresses set forth below (or such other addresses as specified by the parties by like notice):

If to the Parent:

Volato Group, Inc.
1954 Airport Road, Suite 124
Chamblee, GA 30341
Attn: Secretary

If to the Company:

Volato, Inc.
1954 Airport Road, Suite 124
Chamblee, GA 30341
Attn: Secretary

If to the Executive:

424 Vista Grande
Newport Beach, CA 92660
Attn: Keith Rabin

XXV. Representations of the Executive. The Executive represents and warrants to the Companies that:

1. The Executive's continued employment with the Companies and the performance of duties hereunder will not conflict with or result in a violation of, a breach of, or a default under any contract, agreement or understanding to which the Executive is a party or is otherwise bound.

2. The Executive's continued employment with the Companies and the performance of duties hereunder will not violate any non-solicitation, non-competition or other similar covenant or agreement of a prior employer.

XXVI. Withholding. The Companies shall have the right to withhold from any amount payable hereunder any federal, state and local taxes in order for the Companies to satisfy any withholding tax obligation it may have under any Applicable Law.

XXVII. Survival. Upon the expiration or other termination of this Agreement, the respective rights and obligations of the parties hereto shall survive such expiration or other termination to the extent necessary to carry out the intentions of the parties under this Agreement.

XXVIII. Acknowledgement of Full Understanding. THE EXECUTIVE ACKNOWLEDGES AND AGREES THAT THE EXECUTIVE HAS FULLY READ, UNDERSTANDS AND VOLUNTARILY ENTERS INTO THIS AGREEMENT. THE EXECUTIVE ACKNOWLEDGES AND AGREES THAT THE EXECUTIVE HAS HAD AN OPPORTUNITY TO ASK QUESTIONS AND CONSULT WITH AN ATTORNEY OF THE EXECUTIVE'S CHOICE BEFORE SIGNING THIS AGREEMENT.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first above written.

Volato Group, Inc. (Parent):
By: /s/Matthew Liotta
Name: Matthew Liotta
Title: Chief Executive Officer

Volato, Inc. (Company):
By: /s/Matthew Liotta
Name: Matthew Liotta
Title: Chief Executive Officer

EXECUTIVE
Signature: /s/Keith Rabin
Name: Keith Rabin

Exhibit 10.9

AMENDED AND RESTATED
REGISTRATION AND STOCKHOLDER RIGHTS AGREEMENT

THIS AMENDED AND RESTATED REGISTRATION AND STOCKHOLDER RIGHTS AGREEMENT (this " ***Agreement***"), dated as of [ ], 2023, is made and entered into by and among PROOF Acquisition Corp I, a Delaware corporation (the "***Company***"), PROOF Acquisition Sponsor I, LLC, a Delaware limited liability company (the "***Sponsor***"), and the undersigned parties listed under Holder on the signature page hereto (each such party, together with the Sponsor and any person or entity who hereafter becomes a party to this Agreement pursuant to Section 5.2 of this Agreement, a "***Holder***" and collectively the "***Holders***").

RECITALS

WHEREAS, the Company entered into that certain Business Combination Agreement (the "***Agreement***"), dated as of August 1, 2023, by and among the Company, PACI Merger Sub, Inc., a Delaware corporation ("***Merger Sub***"), and Volato, Inc., a Georgia corporation ("***Volato***");

WHEREAS, certain of the Holders (the "***Original Holders***") are party to a Registration and Stockholder Rights Agreement, dated December 1, 2021 (the "***Prior Agreement***"), pursuant to which the Company provided the Original Holders with certain rights relating to the registration of the securities held by them; and

WHEREAS, as a condition of, and as a material inducement for Volato to enter into and consummate the transactions contemplated by the Merger Agreement (the "***Business Combination***"), the Company and the Original Holders have agreed to amend and restate the Prior Agreement in its entirety to provide certain rights relating to (i) the registration of shares of Common Stock (as defined below) held by stockholders of Volato and the Company, as of and contingent upon the closing of the Business Combination, (ii) the registration of the Founder Shares (as defined herein) and (ii) the registration of warrants held by Sponsor and certain funds and accounts managed by subsidiaries of BlackRock, Inc.

NOW, THEREFORE, in consideration of the mutual covenants and agreements set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree that the Prior Agreement is hereby amended and restated in its entirety, as of and contingent upon the closing of the Business Combination as follows:

ARTICLE 1
DEFINITIONS

1.1 Definitions. The terms defined in this *Article I* shall, for all purposes of this Agreement, have the respective meanings set forth below:

"***Adverse Disclosure***" shall mean any public disclosure of material non-public information, which disclosure, in the good faith judgment of the principal executive officer or principal financial officer of the Company, after consultation with counsel to the Company, (i) would be required to be made in any Registration Statement or Prospectus in order for the applicable Registration Statement or Prospectus not to contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements contained therein (in the case of any prospectus and any preliminary prospectus, in the light of the circumstances under which they were made) not misleading, (ii) would not be required to be made at such time if the Registration Statement were not being filed, and (iii) the Company has a bona fide business purpose for not making such information public.

"***Agreement***" shall have the meaning given in the Preamble.

"***Block Trade***" means an offering and/or sale of Registrable Securities by any Holder on a block trade or underwritten basis (whether firm commitment or otherwise) without substantial marketing efforts prior to pricing, including, without limitation, a same day trade, overnight trade or similar transaction.

"***Board***" shall mean the Board of Directors of the Company.

*"**Class B Common Stock**"* shall mean the Class B Common Stock, par value $0.0001, of the Company as set forth in its Certificate of Incorporation.

"***Closing Date***" means the closing date of the Business Combination and has the meaning set forth in the Agreement.

"***Commission***" shall mean the U.S. Securities and Exchange Commission.

"***Common Stock***" means the Company's Class A common stock, par value $0.0001 per share.

"***Company***" shall have the meaning given in the Preamble.

"***Demand Registration***" shall have the meaning given in subsection 2.1.2.

"***Demanding Holder***" shall have the meaning given in subsection 2.1.2.

"***Exchange Act***" shall mean the Securities Exchange Act of 1934, as it may be amended from time to time.

"***Form S-1***" shall have the meaning given in subsection 2.1.1.

"***Form S-3***" shall have the meaning given in subsection 2.3.1.

"***Founder Shares***" shall mean the shares of Class B Common Stock and shall be deemed to include the shares of Common Stock issuable upon conversion thereof.

"***Founder Shares Lock-up Period***" shall mean, with respect to the Founder Shares, the period ending on the earlier of (A) one year after the completion of the Company's initial Business Combination and (B) subsequent to the Business Combination, (x) if the last reported sales price of the Common Stock equals or exceeds $12.00 per share (as adjusted for stock splits, stock dividends, reorganizations, recapitalizations and the like) for any 20 trading days within any 30-trading day period commencing at least 150 days after the Company's initial Business Combination or (y) the date on which the Company completes a liquidation, merger, capital stock exchange, reorganization or other similar transaction that results in all of the Company's stockholders having the right to exchange their shares of Common Stock for cash, securities or other property.

"***Holders***" shall have the meaning given in the Preamble.

"***Insider Letter***" shall mean that certain letter agreement, dated as of the date hereof, by and between the Company, the Sponsor and each of the Company's officers, directors and director nominees.

"***Maximum Number of Securities***" shall have the meaning given in subsection 2.1.4.

"***Misstatement***" shall mean an untrue statement of a material fact or an omission to state a material fact required to be stated in a Registration Statement or Prospectus, or necessary to make the statements in a Registration Statement or Prospectus (in the case of a Prospectus, in the light of the circumstances under which they were made) not misleading.

"***Other Coordinated Offering***" shall have the meaning given in subsection 2.6.1.

"***Permitted Transferees***" shall mean a person or entity to whom a Holder of Registrable Securities is permitted to transfer such Registrable Securities prior to the expiration of the Founder Shares Lock-up Period or Private Placement Lock-up Period, as the case may be, under the Insider Letter and any other applicable agreement between such Holder and the Company, and to any transferee thereafter.

"***Piggyback Registration***" shall have the meaning given in subsection 2.2.1.

"***Private Placement Lock-up Period***" shall mean, with respect to Private Placement Warrants that are held by the initial purchasers of such Private Placement Warrants or their Permitted Transferees, and any of the Common Stock issued or issuable upon the exercise or conversion of the Private Placement Warrants and that are held by the initial purchasers of the Private Placement Warrants or their Permitted Transferees, the period ending 30 days after the completion of the Company's initial Business Combination.

"***Private Placement Warrants***" shall mean the 15,226,000 warrants purchased by certain Holders in connection with the Company's initial public offering.

"***Prospectus***" shall mean the prospectus included in any Registration Statement, as supplemented by any and all prospectus supplements and as amended by any and all post-effective amendments and including all material incorporated by reference in such prospectus.

"***Registrable Security***" shall mean (a) the Founder Shares (including any shares of Common Stock or other equivalent equity security issued or issuable upon the conversion of any such Founder Shares or exercisable for Common Stock), (b) the Private Placement Warrants (including any shares of Common Stock issued or issuable upon the exercise of any such Private Placement Warrants), (c) all shares of Common Stock (i) issued or issuable to Holders in connection with the Business Combination (including shares of Common Stock that may be issued after the closing of the Business Combination pursuant to the Agreement) and (ii) held by the Original Holders immediately after the closing of the Business Combination (including shares of Common Stock acquired by the Original Holders in connection with the Business Combination (d) any outstanding shares of Common Stock or any other equity security (including the shares of Common Stock issued or issuable upon the exercise of any other equity security) of the Company held by a Holder as of the date of this Agreement, and (e) any other equity security of the Company issued or issuable with respect to any such shares of Common Stock by way of a stock dividend or stock split or in connection with a combination of shares, recapitalization, merger, consolidation or reorganization; provided, however, that, as to any particular Registrable Security, such securities shall cease to be Registrable Securities when: (i) a Registration Statement with respect to the sale of such securities shall have become effective under the Securities Act and such securities shall have been sold, transferred, disposed of or exchanged in accordance with such Registration Statement; (ii) such securities shall have been otherwise transferred and new certificates for such securities not bearing a legend restricting further transfer shall have been delivered by the Company and subsequent public distribution of such securities shall not require registration under the Securities Act; (iii) such securities shall have ceased to be outstanding; or (iv) such securities have been sold to, or through, a broker, dealer or underwriter in a public distribution or other public securities transaction.

"***Registration***" shall mean a registration effected by preparing and filing a registration statement or similar document in compliance with the requirements of the Securities Act, and the applicable rules and regulations promulgated thereunder, and such registration statement becoming effective.

"***Registration Expenses***" shall mean the out-of-pocket expenses of a Registration, including, without limitation, the following:

(A) all registration and filing fees (including fees with respect to filings required to be made with the Financial Industry Regulatory Authority, Inc.) and any securities exchange on which the Common Stock are then listed;

(B) fees and expenses of compliance with securities or "blue sky" laws of the United States (including reasonable fees and disbursements of counsel for the Underwriters in connection with "blue sky" qualifications of Registrable Securities);

(C) printing, messenger, telephone and delivery expenses;

(D) reasonable fees and disbursements of counsel for the Company;

(E) reasonable fees and disbursements of all independent registered public accountants of the Company incurred specifically in connection with such Registration; and

(F) reasonable fees and expenses of one (1) legal counsel selected by the majority-in-interest of the Demanding Holders initiating a Demand Registration to be registered for offer and sale in the applicable Registration or the Takedown Requesting Holder initiating an Underwritten Shelf Takedown.

"***Registration Statement***" shall mean any registration statement filed by the Company with the Commission in compliance with the Securities Act (other than a registration statement on Form S-4 or Form S-8, or their successors, or any registration statement covering only securities proposed to be issued in exchange for securities or assets of another entity) and the rules and regulations promulgated thereunder for the public offering and sale ofthe Registrable Securities pursuant to the provisions of this Agreement, including the Prospectus included in such registration statement, amendments (including post-effective amendments) and supplements to such registration statement, and all exhibits to and all material incorporated by reference in such registration statement.

"***Requesting Holder***" shall have the meaning given in subsection 2.1.1.

"***Securities Act***" shall mean the Securities Act of 1933, as amended from time to time.

"***Shelf***" shall have the meaning given in subsection 2.3.1.

"***Sponsor***" shall have the meaning given in the Recitals hereto.

"***Sponsor Director***" means an individual elected to the Board that has been nominated by the Sponsor pursuant to this Agreement.

"***Sponsor Group***" shall mean the Sponsor and parties affiliated with the Sponsor.

"***Subsequent Shelf Registration***" shall have the meaning given in subsection 2.3.2.

"***Takedown Requesting Holder***" shall have the meaning given in subsection 2.3.3.

"***Transfer***" shall mean the (a) sale of, offer to sell, contract or agreement to sell, hypothecate, pledge, grant of any option to purchase or otherwise dispose of or agreement to dispose of, directly or indirectly, or establishment or increase of a put equivalent position or liquidation with respect to or decrease of a call equivalent position within the meaning of Section 16 of the Exchange Act with respect to, any security, (b) entry into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of any security, whether any such transaction is to be settled by delivery of such securities, in cash or otherwise, or (c) public announcement of any intention to effect any transaction specified in clause (a) or (b).

"***Underwriter***" shall mean a securities dealer who purchases any Registrable Securities as principal in an Underwritten Offering and not as part of such dealer's market-making activities.

"***Underwritten Registration***" or "***Underwritten Offering***" shall mean a Registration in which securities of the Company are sold to an Underwriter in a firm commitment underwriting for distribution to the public.

"***Underwritten Shelf Takedown***" shall have the meaning given in subsection 2.3.3.

"***Withdrawal Notice***" is defined in subsection 2.1.4.

ARTICLE 2
REGISTRATIONS

2.1 Registration Statement

2.1.1 Registration Statement. The Company shall use commercially reasonable efforts to, as soon as practicable after the Closing, but in any event within forty five (45) days following the date of consummation of the Business Combination, file a Registration Statement under the Securities Act to permit the public resale of all the Registrable Securities held by the Holders from time to time as permitted by Rule 415 under the Securities Act (or any successor or similar provision adopted by the Commission then in effect) on the terms and conditions specified in this subsection 2.1.1 and shall use commercially reasonable efforts to cause such Registration Statement to be declared effective as soon as practicable after the filing thereof. The Registration Statement filed with the Commission pursuant to this subsection 2.1.1 shall be on Form S-1 or such other form of registration statement as is then available to effect a registration for resale of such Registrable Securities, covering such Registrable Securities, and shall contain a Prospectus in such form as to permit any Holder to sell such Registrable Securities pursuant to Rule 415 under the Securities Act (or any successor or similar provision adopted by the Commission then in effect) at any time beginning on the effective date for such Registration Statement. A Registration Statement filed pursuant to this subsection 2.1.1 shall provide for the resale pursuant to any method or combination of methods legally available to, and requested by, the Holders. The Company shall use commercially reasonable efforts to cause a Registration Statement filed pursuant to this subsection 2.1.1 to remain effective, and to be supplemented and amended to the extent necessary to ensure that such Registration Statement is available or, if not available, that another registration statement is available, for the resale of all the Registrable Securities held by the Holders until all such Registrable Securities have ceased to be Registrable Securities. As soon as practicable following the effective date of a Registration Statement filed pursuant to this subsection 2.1.1, but in any event within three (3) Business Days of such date, the Company shall notify the Holders of the effectiveness of such Registration Statement. When effective, a Registration Statement filed pursuant to this subsection 2.1.1 (including any documents incorporated therein by reference) will comply as to form in all material respects with all applicable requirements of the Securities Act and the Exchange Act and will not contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading (in the case of any Prospectus contained in such Registration Statement, in the light of the circumstances under which such statement is made).

2.1.2 Underwritten Offering. In the event that following the expiration of any applicable lockup period, any Holder or group of Holders elects to dispose of Registrable Securities under a Registration Statement pursuant to an Underwritten Offering of all or part of such Registrable Securities that are registered by such Registration Statement (a "***Demand Registration***") and reasonably expects aggregate gross proceeds in excess of $25,000,000 (the "***Minimum Amount***") from such Underwritten Offering, then the Company shall, upon the written demand of such Holder or group of Holders (any such Holder, a "***Demanding Holder***" and, collectively, the "***Demanding Holders***"), enter into an underwriting agreement in a form as is customary in Underwritten Offerings of equity securities with the managing Underwriter or Underwriters selected by the Company after consultation with the Demanding Holders and shall take all such other reasonable actions as are requested by the managing Underwriter or Underwriters in order to expedite or facilitate the disposition of such Registrable Securities; provided, however, that the Company shall have no obligation to facilitate or participate in more than (i) one (1) Underwritten Offering at the request of Demanding Holders that are a member of the Sponsor Group, and (ii) one (1) Underwritten Offering at the request of Demanding Holders that are not members of the Sponsor Group.

The Company shall give prompt written notice to each other Holder regarding any such proposed Underwritten Offering, and such notice shall offer such Holder the opportunity to include in the Underwritten Offering such number of Registrable Securities as each such Holder may request. Each such Holder shall make such request in writing to the Company within five (5) Business Days after the receipt of any such notice from the Company, which request shall specify the number of Registrable Securities intended to be disposed of by such Holder. In connection with any Underwritten Offering contemplated by this subsection 2.1.2, the underwriting agreement into which each Demanding Holder and the Company shall enter shall contain such representations, covenants, indemnities (subject to Sections 4.1 and 4.2) and other rights and obligations as are customary in underwritten offerings of equity securities. No Demanding Holder shall be required to make any representations or warranties to or agreements with the Company or the Underwriters other than representations, warranties or agreements regarding such Demanding Holder's authority to enter into such underwriting agreement and to sell, and its ownership of, the securities being registered on its behalf, its intended method of distribution and any other representation required by law.

2.1.3 Reduction of Underwritten Offering. If the managing Underwriter or Underwriters in an Underwritten Registration pursuant to a Demand Registration, in good faith, advises the Company, the Demanding Holders and the Requesting Holders (if any) in writing that the dollar amount or number of Registrable Securities that the Demanding Holders and the Requesting Holders (if any) desire to sell, taken together with all other Common Stock or other equity securities that the Company desires to sell and the Common Stock, if any, as to which a Registration has been requested pursuant to separate written contractual piggy-back registration rights held by any other stockholders who desire to sell, exceeds the maximum dollar amount or maximum number of equity securities that can be sold in the Underwritten Offering without adversely affecting the proposed offering price, the timing, the distribution method, or the probability of success of such offering (such maximum dollar amount or maximum number of such securities, as applicable, the "***Maximum Number of Securities***"), then the Company shall include in such Underwritten Offering, as follows: (i) first, the Registrable Securities of the Demanding Holders and the Requesting Holders (if any) (pro rata based on the respective number of Registrable Securities that each Demanding Holder and Requesting Holder (if any) has requested be included in such Underwritten Registration and the aggregate number of Registrable Securities that the Demanding Holders and Requesting Holders have requested be included in such Underwritten Registration (such proportion is referred to herein as "***Pro Rata***")) that can be sold without exceeding the Maximum Number of Securities; (ii) second, to the extent that the Maximum Number of Securities has not been reached under the foregoing clause (i), the Common Stock or other equity securities that the Company desires to sell, which can be sold without exceeding the Maximum Number of Securities; and (iii) third, to the extent that the Maximum Number of Securities has not been reached under the foregoing clauses (i) and (ii), the Common Stock or other equity securities of other persons or entities that the Company is obligated to register in a Registration pursuant to separate written contractual arrangements with such persons and that can be sold without exceeding the Maximum Number of Securities.

2.1.4 Demand Registration Withdrawal. A majority-in-interest of the Demanding Holders initiating a Demand Registration or a majority-in-interest of the Requesting Holders (if any), pursuant to a Registration under subsection 2.1.1 shall have the right to withdraw from a Registration pursuant to such Demand Registration for any or no reason whatsoever upon written notification (a "***Withdrawal Notice***") to the Company and the Underwriter or Underwriters (if any) of their intention to withdraw from such Registration prior to the effectiveness of the Registration Statement filed with the Commission with respect to the Registration of their Registrable Securities pursuant to such Demand Registration. Notwithstanding anything to the contrary in this Agreement, the Company shall be responsible for the Registration Expenses incurred in connection with a Registration pursuant to a Demand Registration prior to its withdrawal under this subsection 2.1.4.

2.2 Piggyback Registration.

2.2.1 Piggyback Rights. If, at any time on or after the date the Company consummates a Business Combination, the Company proposes to file a Registration Statement under the Securities Act with respect to an offering of equity securities, or securities or other obligations exercisable or exchangeable for, or convertible into equity securities, for its own account or for the account of stockholders of the Company (or by the Company and by the stockholders of the Company including, without limitation, pursuant to Section 2.1 hereof), other than a Registration Statement (i) filed in connection with any employee stock option or other benefit plan, (ii) for an exchange offer or offering of securities solely to the Company's existing stockholders, (iii) for an offering of debt that is convertible into equity securities of the Company or (iv) for a dividend reinvestment plan, then the Company shall give written notice of such proposed filing to all of the Holders of Registrable Securities as soon as practicable but not less than seven (7) days before the anticipated filing date of such Registration Statement, which notice shall (A) describe the amount and type of securities to be included in such offering, the intended method(s) of distribution, and the name of the proposed managing Underwriter or Underwriters, if any, in such offering, and (B) offer to all of the Holders of Registrable Securities the opportunity to register the sale of such number of Registrable Securities as such Holders may request in writing within three (3) business days after receipt of such written notice (such Registration a "***Piggyback Registration***"). The Company shall, in good faith, cause such Registrable Securities to be included in such Piggyback Registration and shall use its best efforts to cause the managing Underwriter or Underwriters of a proposed Underwritten Offering to permit the Registrable Securities requested by the Holders pursuant to this subsection 2.2.1 to be included in a Piggyback Registration on the same terms and conditions as any similar securities of the Company included in such Registration and to permit the sale or other disposition of such Registrable Securities in accordance with the intended method(s) of distribution thereof. All such Holders proposing to distribute their Registrable Securities through an Underwritten Offering under this subsection 2.2.1 shall enter into an underwriting agreement in customary form with the Underwriter(s) selected for such Underwritten Offering by the Company. The notice periods set forth in this subsection 2.2.1 shall not apply to an Underwritten Shelf Takedown conducted in accordance with subsection 2.3.3.

2.2.2 Reduction of Piggyback Registration. If the managing Underwriter or Underwriters in an Underwritten Registration that is to be a Piggyback Registration (other than Underwritten Shelf Takedown), in good faith, advises the Company and the Holders of Registrable Securities participating in the Piggyback Registration in writing that the dollar amount or number of the shares of Common Stock that the Company desires to sell, taken together with (i) the Common Stock, if any, as to which Registration has been demanded pursuant to separate written contractual arrangements with persons or entities other than the Holders of Registrable Securities hereunder, (ii) the Registrable Securities as to which registration has been requested pursuant Section 2.2 hereof, and (iii) the Common Stock, if any, as to which Registration has been requested pursuant to separate written contractual piggy-back registration rights of other stockholders of the Company, exceeds the Maximum Number of Securities, then:

(a) If the Registration is undertaken for the Company's account, the Company shall include in any such Registration (A) first, the Common Stock or other equity securities that the Company desires to sell, which can be sold without exceeding the Maximum Number of Securities; and (B) second, to the extent that the Maximum Number of Securities has not been reached under the foregoing clause (A), the Registrable Securities of Holders exercising their rights to register their Registrable Securities pursuant to subsection 2.2.1 hereof, Pro Rata based on the respective number of Registrable Securities that each Holder has so requested exercising its rights to register its Registrable Securities pursuant to subsection 2.2.1 hereof, which can be sold without exceeding the Maximum Number of Securities; and (C) third, to the extent that the Maximum Number of Securities has not been reached under the foregoing clauses (A) and (B), the Common Stock, if any, as to which Registration has been requested pursuant to written contractual piggy-back registration rights of other stockholders of the Company, which can be sold without exceeding the Maximum Number of Securities;

(b) If the Registration is pursuant to a request by persons or entities other than the Holders of Registrable Securities, then the Company shall include in any such Registration (A) first, the Common Stock or other equity securities, if any, of such requesting persons or entities, other than the Holders of Registrable Securities, which can be sold without exceeding the Maximum Number of Securities; (B) second, to the extent that the Maximum Number of Securities has not been reached under the foregoing clause (A), the Registrable Securities of Holders exercising their rights to register their Registrable Securities pursuant to subsection 2.2.1, Pro Rata, which can be sold without exceeding the Maximum Number of Securities; (C) third, to the extent that the Maximum Number of Securities has not been reached under the foregoing clauses (A) and (B), the Common Stock or other equity securities that the Company desires to sell, which can be sold without exceeding the Maximum Number of Securities; and (D) fourth, to the extent that the Maximum Number of Securities has not been reached under the foregoing clauses (A), (B) and (C), the Common Stock or other equity securities for the account of other persons or entities that the Company is obligated to register pursuant to separate written contractual arrangements with such persons or entities, which can be sold without exceeding the Maximum Number of Securities.

2.2.3 Piggyback Registration Withdrawal. Any Holder of Registrable Securities shall have the right to withdraw from a Piggyback Registration for any or no reason whatsoever upon written notification to the Company and the Underwriter or Underwriters (if any) of his, her or its intention to withdraw from such Piggyback Registration prior to the effectiveness of the Registration Statement filed with the Commission with respect to such Piggyback Registration. The Company (whether on its own good faith determination or as the result of a request for withdrawal by persons pursuant to separate written contractual obligations) may withdraw a Registration Statement filed with the Commission in connection with a Piggyback Registration at any time prior to the effectiveness of such Registration Statement. Notwithstanding anything to the contrary in this Agreement, the Company shall be responsible for the Registration Expenses incurred in connection with the Piggyback Registration prior to its withdrawal under this subsection 2.2.3.

2.2.4 Unlimited Piggyback Registration Rights. For purposes of clarity, any Registration effected pursuant to Section 2.2 hereof shall not be counted as a Registration pursuant to a Demand Registration effected under Section 2.1 hereof.

2.3 Market Standoff. In connection with any Underwritten Offering of equity securities of the Company, each Holder that elects to participate in the Underwritten Offering pursuant to the terms of this Agreement agrees that it shall not Transfer any shares of Common Stock or other equity securities of the Company (other than those included in such offering pursuant to this Agreement), without the prior written consent of the Company, during the 60-day period beginning on the date of pricing of such offering or such shorter period during which the Company agrees not to conduct an underwritten primary offering of Common Stock, except in the event the Underwriters managing the offering otherwise agree by written consent. Each Holder agrees to execute a customary lock-up agreement in favor of the Underwriters to such effect (in each case on substantially the same terms and conditions as all such Holders).

2.4 Shelf Registrations.

2.4.1 The Holders of Registrable Securities may at any time, and from time to time, request in writing that the Company, pursuant to Rule 415 under the Securities Act (or any successor rule promulgated thereafter by the Commission), register the resale of any or all of their Registrable Securities on Form S-3 or similar short form registration statement that may be available at such time ("***Form S-3***"), or if the Company is ineligible to use Form S-3, on Form S-1;a registration statement filed pursuant to this subsection 2.3.1 (a "***Shelf***") shall provide for the resale of the Registrable Securities included therein pursuant to any method or combination of methods legally available to, and requested by, any Holder. Within three (3) days of the Company's receipt of a written request from a Holder or Holders of Registrable Securities for a Registration on a Shelf, the Company shall promptly give written notice of the proposed Registration to all other Holders of Registrable Securities, and each Holder of Registrable Securities who thereafter wishes to include all or a portion of such Holder's Registrable Securities in such Registration shall so notify the Company, in writing, within three (3) business days after the receipt by the Holder of the notice from the Company. As soon as practicable thereafter, but not more than ten (10) days after the Company's initial receipt of such written request for a Registration on a Shelf, the Company shall register all or such portion of such Holder's Registrable Securities as are specified in such written request, together with all or such portion of Registrable Securities of any other Holder or Holders joining in such request as are specified in the written notification given by such Holder or Holders; provided, however, that the Company shall not be obligated to effect any such Registration pursuant to this subsection 2.3.1 if the Holders of Registrable Securities, together with the Holders of any other equity securities of the Company entitled to inclusion in such Registration, propose to sell the Registrable Securities and such other equity securities (if any) at any aggregate price to the public of less than $10,000,000. The Company shall maintain each Shelf in accordance with the terms hereof, and shall prepare and file with the SEC such amendments, including post-effective amendments, and supplements as may be necessary to keep such Shelf continuously effective, available for use and in compliance with the provisions of the Securities Act until such time as there are no longer any Registrable Securities included on such Shelf. In the event the Company files a Shelf on Form S-1, the Company shall use its commercially reasonable efforts to convert the Form S-1 to a Form S-3 as soon as practicable after the Company is eligible to use Form S-3.

2.4.2 If any Shelf ceases to be effective under the Securities Act for any reason at any time while Registrable Securities included thereon are still outstanding, the Company shall use its commercially reasonable efforts to as promptly as is reasonably practicable cause such Shelf to again become effective under the Securities Act (including obtaining the prompt withdrawal of any order suspending the effectiveness of such Shelf), and shall use its commercially reasonable efforts to as promptly as is reasonably practicable amend such Shelf in a manner reasonably expected to result in the withdrawal of any order suspending the effectiveness of such Shelf or file an additional registration statement (a "***Subsequent Shelf Registration***") registering the resale of all Registrable Securities including on such Shelf, and pursuant to any method or combination of methods legally available to, and requested by, any Holder. If a Subsequent Shelf Registration is filed, the Company shall use its commercially reasonable efforts to (i) cause such Subsequent Shelf Registration to become effective under the Securities Act as promptly as is reasonably practicable after the filing thereof and (ii) keep such Subsequent Shelf Registration continuously effective, available for use and in compliance with the provisions of the Securities Act until such time as there are no longer any Registrable Securities included thereon. Any such Subsequent Shelf Registration shall be on Form S-3 to the extent that the Company is eligible to use such form. Otherwise, such Subsequent Shelf Registration shall be on another appropriate form. In the event that any Holder holds Registrable Securities that are not registered for resale on a delayed or continuous basis, the Company, upon request of a Holder shall promptly use its commercially reasonable efforts to cause the resale of such Registrable Securities to be covered by either, at the Company's option, a Shelf (including by means of a post-effective amendment) or a Subsequent Shelf Registration and cause the same to become effective as soon as practicable after such filing and such Shelf or Subsequent Shelf Registration shall be subject to the terms hereof; provided, however, the Company shall only be required to cause such Registrable Securities to be so covered once annually after inquiry of the Holders.

2.4.3 At any time and from time to time after a Shelf has been declared effective by the Commission, the Sponsor may request to sell all or any portion of its Registrable Securities in an underwritten offering that is registered pursuant to the Shelf (each, an "***Underwritten Shelf Takedown***"); provided that the Company shall only be obligated to effect an Underwritten Shelf Takedown if such offering shall include securities with a total offering price (including piggyback securities and before deduction of underwriting discounts) reasonably expected to exceed, in the aggregate, $10,000,000. All requests for Underwritten Shelf Takedowns shall be made by giving written notice to the Company at least 48 hours prior to the public announcement of such Underwritten Shelf Takedown, which shall specify the approximate number of Registrable Securities proposed to be sold in the Underwritten Shelf Takedown and the expected price range (net of underwriting discounts and commissions) of such Underwritten Shelf Takedown. The Company shall include in any Underwritten Shelf Takedown the securities requested to be included by any holder (each a "***Takedown Requesting Holder***") at least 24 hours prior to the public announcement of such Underwritten Shelf Takedown pursuant to written contractual piggyback registration rights of such holder (including to those set forth herein). The Sponsor shall have the right to select the underwriter(s) for such offering (which shall consist of one or more reputable nationally recognized investment banks), subject to the Company's prior approval which shall not be unreasonably withheld, conditioned or delayed. For purposes of clarity, any Registration effected pursuant to this subsection 2.3.3 shall not be counted as a Registration pursuant to a Demand Registration effected under Section 2.1 hereof.

2.4.4 If the managing Underwriter or Underwriters in an Underwritten Shelf Takedown, in good faith, advises the Company, the Sponsor and the Takedown Requesting Holders (if any) in writing that the dollar amount or number of Registrable Securities that the Sponsor and the Takedown Requesting Holders (if any) desire to sell, taken together with all other Common Stock or other equity securities that the Company desires to sell, exceeds the Maximum Number of Securities, then the Company shall include in such Underwritten Shelf Takedown, as follows: (i) first, the Registrable Securities of the Sponsor that can be sold without exceeding the Maximum Number of Securities; (ii) second, to the extent that the Maximum Number of Securities has not been reached under the foregoing clause (i), the Common Stock or other equity securities that the Company desires to sell, which can be sold without exceeding the Maximum Number of Securities; and (iii) third, to the extent that the Maximum Number of Securities has not been reached under the foregoing clauses (i) and (ii), the Common Stock or other equity securities of the Takedown Requesting Holders, if any, that can be sold without exceeding the Maximum Number of Securities, determined Pro Rata based on the respective number of Registrable Securities that each Takedown Requesting Holder has so requested to be included in such Underwritten Shelf Takedown.

2.4.5 The Sponsor shall have the right to withdraw from an Underwritten Shelf Takedown for any or no reason whatsoever upon written notification to the Company and the Underwriter or Underwriters (if any) of its intention to withdraw from such Underwritten Shelf Takedown prior to the public announcement of such Underwritten Shelf Takedown. Notwithstanding anything to the contrary in this Agreement, the Company shall be responsible for the Registration Expenses incurred in connection with an Underwritten Shelf Takedown prior to a withdrawal under this subsection 2.3.5.

2.5 Restrictions on Registration Rights. If (A) during the period starting with the date sixty (60) days prior to the Company's good faith estimate of the date of the filing of, and ending on a date one hundred and twenty (120) days after the effective date of, a Company initiated Registration and provided that the Company has delivered written notice to the Holders prior to receipt of a Demand Registration pursuant to subsection 2.1.1 and it continues to actively employ, in good faith, all reasonable efforts to cause the applicable Registration Statement to become effective; (B) the Holders have requested an Underwritten Registration and the Company and the Holders are unable to obtain the commitment of underwriters to firmly underwrite the offer; or (C) in the good faith judgment of the Board such Registration would be seriously detrimental to the Company and the Board concludes as a result that it is essential to defer the filing of such Registration Statement at such time, then in each case the Company shall furnish to such Holders a certificate signed by the Chairman of the Board stating that in the good faith judgment of the Board it would be seriously detrimental to the Company for such Registration Statement to be filed in the near future and that it is therefore essential to defer the filing of such Registration Statement. In such event, the Company shall have the right to defer such filing for a period of not more than thirty (30) days; provided, however, that the Company shall not defer its obligation in this manner more than once in any 12-month period. Notwithstanding anything to the contrary contained in this Agreement, no Registration shall be effected or permitted and no Registration Statement shall become effective, with respect to any Registrable Securities held by any Holder, until after the expiration of the Founder Shares Lock-Up Period or the Private Placement Lock-Up Period, as the case may be.

2.6 Block Trades; Other Coordinated Offerings.

2.6.1 Notwithstanding the foregoing, at any time and from time to time when an effective Registration Statement is on file with the Commission and effective, if an Holder wishes to engage in (a) a Block Trade or (b) an "at the market" or similar registered offering through a broker, sales agent or distribution agent, whether as agent or principal (an "***Other Coordinated Offering***"), in each case with a total offering price reasonably expected to exceed, in the aggregate, either (x) $35 million or (y) all remaining Registrable Securities held by the Holder, then notwithstanding the time periods provided for in subsection 2.1.2, such Holder shall notify the Company of the Block Trade or Other Coordinated Offering at least five (5) business days prior to the day such offering is to commence and the Company shall as expeditiously as possible use its commercially reasonable efforts to facilitate such Block Trade or Other Coordinated Offering; provided that the Holders representing a majority of the Registrable Securities wishing to engage in the Block Trade or Other Coordinated Offering shall use commercially reasonable efforts to work with the Company and any Underwriters or placement agents or sales agents prior to making such request in order to facilitate preparation of the registration statement, prospectus and other offering documentation related to the Block Trade or Other Coordinated Offering and any related due diligence and comfort procedures.

2.6.2 Prior to the filing of the applicable "red herring" prospectus or prospectus supplement used in connection with a Block Trade or Other Coordinated Offering, a majority-in-interest of the Holders initiating such Block Trade or Other Coordinated Offering shall have the right to submit a Withdrawal Notice to the Company and the Underwriters or placement agents or sales agents (if any) of their intention to withdraw from such Block Trade or Other Coordinated Offering. Notwithstanding anything to the contrary in this Agreement, the Company shall be responsible for the Registration Expenses incurred in connection with a Block Trade or Other Coordinated Offering prior to its withdrawal under this subsection 2.4.2.

2.6.3 Notwithstanding anything to the contrary in this Agreement, Section 2.2 hereof shall not apply to a Block Trade or Other Coordinated Offering initiated by an Holder pursuant to this Section 2.4.

2.6.4 The majority-in-interest of the Holders initiating such Block Trade shall have the right to select the Underwriters and any sale agents or placement agents (if any) for such Block Trade or Other Coordinated Offering (in each case, which shall consist of one or more reputable nationally recognized investment banks).

ARTICLE 3
COMPANY PROCEDURES

3.1 General Procedures. If at any time on or after the date the Company consummates a Business Combination the Company is required to effect the Registration of Registrable Securities, the Company shall use its best efforts to effect such Registration to permit the sale of such Registrable Securities in accordance with the intended plan of distribution thereof, and pursuant thereto the Company shall, as soon as reasonably as practicable and as applicable:

3.1.1 prepare and file with the Commission as soon as practicable a Registration Statement with respect to such Registrable Securities and use its reasonable best efforts to cause such Registration Statement to become effective and remain effective until all Registrable Securities covered by such Registration Statement have been sold;

3.1.2 prepare and file with the Commission such amendments and post-effective amendments to the Registration Statement, and such supplements to the Prospectus, as may be requested by the Holders or any Underwriter of Registrable Securities or as may be required by the rules, regulations or instructions applicable to the registration form used by the Company or by the Securities Act or rules and regulations thereunder to keep the Registration Statement effective until all Registrable Securities covered by such Registration Statement are sold in accordance with the intended plan of distribution set forth in such Registration Statement or supplement to the Prospectus;

3.1.3 prior to filing a Registration Statement or Prospectus, or any amendment or supplement thereto, furnish without charge to the Underwriters, if any, and the Holders of Registrable Securities included in such Registration, and such Holders' legal counsel, copies of such Registration Statement as proposed to be filed, each amendment and supplement to such Registration Statement (in each case including all exhibits thereto and documents incorporated by reference therein), the Prospectus included in such Registration Statement (including each preliminary Prospectus), and such other documents as the Underwriters and the Holders of Registrable Securities included in such Registration or the legal counsel for any such Holders may request in order to facilitate the disposition of the Registrable Securities owned by such Holders;

3.1.4 prior to any public offering of Registrable Securities, use its best efforts to (i) register or qualify the Registrable Securities covered by the Registration Statement under such securities or "blue sky" laws of such jurisdictions in the United States as the Holders of Registrable Securities included in such Registration Statement (in light of their intended plan of distribution) may request and (ii) take such action necessary to cause such Registrable Securities covered by the Registration Statement to be registered with or approved by such other governmental authorities as may be necessary by virtue of the business and operations of the Company and do any and all other acts and things that may be necessary or advisable to enable the Holders of Registrable Securities included in such Registration Statement to consummate the disposition of such Registrable Securities in such jurisdictions; provided, however, that the Company shall not be required to qualify generally to do business in any jurisdiction where it would not otherwise be required to qualify or take any action to which it would be subject to general service of process or taxation in any such jurisdiction where it is not then otherwise so subject;

3.1.5 cause all such Registrable Securities to be listed on each securities exchange or automated quotation system on which similar securities issued by the Company are then listed;

3.1.6 provide a transfer agent or warrant agent, as applicable, and registrar for all such Registrable Securities no later than the effective date of such Registration Statement;

3.1.7 advise each seller of such Registrable Securities, promptly after it shall receive notice or obtain knowledge thereof, of the issuance of any stop order by the Commission suspending the effectiveness of such Registration Statement or the initiation or threatening of any proceeding for such purpose and promptly use its reasonable best efforts to prevent the issuance of any stop order or to obtain its withdrawal if such stop order should be issued;

3.1.8 at least five (5) days prior to the filing of any Registration Statement or Prospectus or any amendment or supplement to such Registration Statement or Prospectus (other than by way of a document incorporated by reference) furnish a copy thereof to each seller of such Registrable Securities or its counsel;

3.1.9 notify the Holders at any time when a Prospectus relating to such Registration Statement is required to be delivered under the Securities Act, of the happening of any event as a result of which the Prospectus included in such Registration Statement, as then in effect, includes a Misstatement, and then to correct such Misstatement as set forth in Section 3.4 hereof;

3.1.10 permit a representative of the Holders, the Underwriters, if any, and any attorney or accountant retained by such Holders or Underwriters to participate, at each such person's own expense, in the preparation of the Registration Statement, and cause the Company's officers, directors and employees to supply all information reasonably requested by any such representative, Underwriters, attorney or accountant in connection with the Registration; provided, however, that such representatives or Underwriters enter into a confidentiality agreement, in form and substance reasonably satisfactory to the Company, prior to the release or disclosure of any such information;

3.1.11 obtain a "cold comfort" letter from the Company's independent registered public accountants in the event of an Underwritten Registration, in customary form and covering such matters of the type customarily covered by "cold comfort" letters as the managing Underwriters may reasonably request, and reasonably satisfactory to a majority-in-interest of the participating Holders;

3.1.12 on the date the Registrable Securities are delivered for sale pursuant to such Registration, obtain an opinion, dated such date, of counsel representing the Company for the purposes of such Registration, addressed to the Holders, the placement agent or sales agent, if any, and the Underwriters, if any, covering such legal matters with respect to the Registration in respect of which such opinion is being given as the Holders, placement agent, sales agent, or Underwriters may reasonably request and as are customarily included in such opinions and negative assurance letters, and reasonably satisfactory to a majority-in-interest of the participating Holders;

3.1.13 in the event of any Underwritten Offering, enter into and perform its obligations under an underwriting agreement, in usual and customary form, with the managing Underwriters of such offering;

3.1.14 make available to its security holders, as soon as reasonably practicable, an earnings statement covering the period of at least twelve (12) months beginning with the first day of the Company's first full calendar quarter after the effective date of the Registration Statement which satisfies the provisions of Section 11(a) of the Securities Act and Rule 158 thereunder (or any successor rule promulgated thereafter by the Commission);

3.1.15 if the Registration involves the Registration of Registrable Securities involving gross proceeds in excess of $50,000,000, use its reasonable efforts to make available senior executives of the Company to participate in customary "road show" presentations that may be reasonably requested by the Underwriters in any Underwritten Offering; and

3.1.16 otherwise, in good faith, cooperate reasonably with, and take such customary actions as may reasonably be requested by the Holders, in connection with such Registration.

3.2 Registration Expenses. The Registration Expenses of all Registrations shall be borne by the Company. It is acknowledged by the Holders that the Holders shall bear all incremental selling expenses relating to the sale of Registrable Securities, such as Underwriters' commissions and discounts, brokerage fees, Underwriters marketing costs and, other than as set forth in the definition of "Registration Expenses," all reasonable fees and expenses of any legal counsel representing the Holders.

3.3 Requirements for Participation in Underwritten Offerings. No person may participate in any Underwritten Offering for equity securities of the Company pursuant to a Registration initiated by the Company hereunder unless such person (i) agrees to sell such person's securities on the basis provided in any underwriting arrangements approved by the Company and (ii) completes and executes all customary questionnaires, powers of attorney, indemnities, lock-up agreements, underwriting agreements and other customary documents as may be reasonably required under the terms of such underwriting arrangements.

3.4 Suspension of Sales; Adverse Disclosure. Upon receipt of written notice from the Company that a Registration Statement or Prospectus ontains a Misstatement, each of the Holders shall forthwith discontinue disposition of Registrable Securities until it has received copies of a supplemented or amended Prospectus correcting the Misstatement (it being understood that the Company hereby covenants to prepare and file such supplement or amendment as soon as practicable after the time of such notice), or until it is advised in writing by the Company that the use of the Prospectus may be resumed. If the filing, initial effectiveness or continued use of a Registration Statement in respect of any Registration at any time would require the Company to make an Adverse Disclosure or would require the inclusion in such Registration Statement of financial statements that are unavailable to the Company for reasons beyond the Company's control, the Company may, upon giving prompt written notice of such action to the Holders, delay the filing or initial effectiveness of, or suspend use of, such Registration Statement for the shortest period of time, but in no event more than thirty (30) days, determined in good faith by the Company to be necessary for such purpose. In the event the Company exercises its rights under the preceding sentence, the Holders agree to suspend, immediately upon their receipt of the notice referred to above, their use of the Prospectus relating to any Registration in connection with any sale or offer to sell Registrable Securities. The Company shall immediately notify the Holders of the expiration of any period during which it exercised its rights under this Section 3.4.

3.5 Reporting Obligations. As long as any Holder shall own Registrable Securities, the Company, at all times while it shall be a reporting company under the Exchange Act, covenants to file timely (or obtain extensions in respect thereof and file within the applicable grace period) all reports required to be filed by the Company after the date hereof pursuant to Sections 13(a) or 15(d) of the Exchange Act and to promptly furnish the Holders with true and complete copies of all such filings. The Company further covenants that it shall take such further action as any Holder may reasonably request, all to the extent required from time to time to enable such Holder to sell shares of Common Stock held by such Holder without registration under the Securities Act within the limitation of the exemptions provided by Rule 144 promulgated under the Securities Act (or any successor rule promulgated thereafter by the Commission, to the extent that such rule or such successor rule is available to the Company), including providing any legal opinions. Upon the request of any Holder, the Company shall deliver to such Holder a written certification of a duly authorized officer as to whether it has complied with such requirements.

ARTICLE 4
INDEMNIFICATION AND CONTRIBUTION

4.1 Indemnification.

4.1.1 The Company agrees to indemnify, to the extent permitted by law, each Holder of Registrable Securities, its officers and directors and each person who controls such Holder (within the meaning of the Securities Act) against all losses, claims, damages, liabilities and expenses (including attorneys' fees) caused by any untrue or alleged untrue statement of material fact contained in any Registration Statement, Prospectus or preliminary Prospectus or any amendment thereof or supplement thereto or any omission or alleged omission of a material fact required to be stated therein or necessary to make the statements therein not misleading, except insofar as the same are caused by or contained in any information furnished in writing to the Company by such Holder expressly for use therein. The Company shall indemnify the Underwriters, their officers and directors and each person who controls such Underwriters (within the meaning of the Securities Act) to the same extent as provided in the foregoing with respect to the indemnification of the Holder.

4.1.2 In connection with any Registration Statement in which a Holder of Registrable Securities is participating, such Holder shall furnish to the Company in writing such information and affidavits as the Company reasonably requests for use in connection with any such Registration Statement or Prospectus and, to the extent permitted by law, shall indemnify the Company, its directors and officers and agents and each person who controls the Company (within the meaning of the Securities Act) against any losses, claims, damages, liabilities and expenses (including without limitation reasonable attorneys' fees) resulting from any untrue statement of material fact contained in the Registration Statement, Prospectus or preliminary Prospectus or any amendment thereof or supplement thereto or any omission of a material fact required to be stated therein or necessary to make the statements therein not misleading, but only to the extent that such untrue statement or omission is contained in any information or affidavit so furnished in writing by such Holder expressly for use therein; provided, however, that the obligation to indemnify shall be several, not joint and several, among such Holders of Registrable Securities, and the liability of each such Holder of Registrable Securities shall be in proportion to and limited to the net proceeds received by such Holder from the sale of Registrable Securities pursuant to such Registration Statement. The Holders of Registrable Securities shall indemnify the Underwriters, their officers, directors and each person who controls such Underwriters (within the meaning of the Securities Act) to the same extent as provided in the foregoing with respect to indemnification of the Company.

4.1.3 Any person entitled to indemnification herein shall (i) give prompt written notice to the indemnifying party of any claim with respect to which it seeks indemnification (provided that the failure to give prompt notice shall not impair any person's right to indemnification hereunder to the extent such failure has not materially prejudiced the indemnifying party) and (ii) unless in such indemnified party's reasonable judgment a conflict of interest between such indemnified and indemnifying parties may exist with respect to such claim, permit such indemnifying party to assume the defense of such claim with counsel reasonably satisfactory to the indemnified party. If such defense is assumed, the indemnifying party shall not be subject to any liability for any settlement made by the indemnified party without its consent (but such consent shall not be unreasonably withheld). An indemnifying party who is not entitled to, or elects not to, assume the defense of a claim shall not be obligated to pay the fees and expenses of more than one counsel for all parties indemnified by such indemnifying party with respect to such claim, unless in the reasonable judgment of any indemnified party a conflict of interest may exist between such indemnified party and any other of such indemnified parties with respect to such claim. No indemnifying party shall, without the consent of the indemnified party, consent to the entry of any judgment or enter into any settlement which cannot be settled in all respects by the payment of money (and such money is so paid by the indemnifying party pursuant to the terms of such settlement) or which settlement does not include as an unconditional term thereof the giving by the claimant or plaintiff to such indemnified party of a release from all liability in respect to such claim or litigation.

4.1.4 The indemnification provided for under this Agreement shall remain in full force and effect regardless of any investigation made by or on behalf of the indemnified party or any officer, director or controlling person of such indemnified party and shall survive the transfer of securities. The Company and each Holder of Registrable Securities participating in an offering also agrees to make such provisions as are reasonably requested by any indemnified party for contribution to such party in the event the Company's or such Holder's indemnification is unavailable for any reason.

4.1.5 If the indemnification provided under Section 4.1 hereof from the indemnifying party is unavailable or insufficient to hold harmless an indemnified party in respect of any losses, claims, damages, liabilities and expenses referred to herein, then the indemnifying party, in lieu of indemnifying the indemnified party, shall contribute to the amount paid or payable by the indemnified party as a result of such losses, claims, damages, liabilities and expenses in such proportion as is appropriate to reflect the relative fault of the indemnifying party and the indemnified party, as well as any other relevant equitable considerations. The relative fault of the indemnifying party and indemnified party shall be determined by reference to, among other things, whether any action in question, including any untrue or alleged untrue statement of a material fact or omission or alleged omission to state a material fact, was made by, or relates to information supplied by, such indemnifying party or indemnified party, and the indemnifying party's and indemnified party's relative intent, knowledge, access to information and opportunity to correct or prevent such action; provided, however, that the liability of any Holder under this subsection 4.1.5 shall be limited to the amount of the net proceeds received by such Holder in such offering giving rise to such liability. The amount paid or payable by a party as a result of the losses or other liabilities referred to above shall be deemed to include, subject to the limitations set forth in subsections 4.1.1, 4.1.2 and 4.1.3 above, any legal or other fees, charges or expenses reasonably incurred by such party in connection with any investigation or proceeding. The parties hereto agree that it would not be just and equitable if contribution pursuant to this subsection 4.1.5 were determined by pro rata allocation or by any other method of allocation, which does not take account of the equitable considerations referred to in this subsection 4.1.5. No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution pursuant to this subsection 4.1.5 from any person who was not guilty of such fraudulent misrepresentation.

ARTICLE 5
MISCELLANEOUS

5.1 Notices. Any notice or communication under this Agreement must be in writing and given by (i) deposit in the United States mail, addressed to the party to be notified, postage prepaid and registered or certified with return receipt requested, (ii) delivery in person or by courier service providing evidence of delivery, or (iii) transmission by hand delivery, electronic mail, telecopy, telegram or facsimile. Each notice or communication that is mailed, delivered, or transmitted in the manner described above shall be deemed sufficiently given, served, sent, and received, in the case of mailed notices, on the third business day following the date on which it is mailed and, in the case of notices delivered by courier service, hand delivery, electronic mail, telecopy, telegram or facsimile, at such time as it is delivered to the addressee (with the delivery receipt or the affidavit of messenger) or at such time as delivery is refused by the addressee upon presentation. Any notice or communication under this Agreement must be addressed, if to the Company, to: 11911 Freedom Drive, Suite 1080, Reston, VA 20190, Attention: Michael Zarlenga, with copy to; Steptoe & Johnson LLP, 1114 Avenue of the Americas, New York, New York 10036, Attention: Scott Fisher, and, if to any Holder, at such Holder's address or facsimile number as set forth in the Company's books and records. Any party may change its address for notice at any time and from time to time by written notice to the other parties hereto, and such change of address shall become effective thirty (30) days after delivery of such notice as provided in this Section 5.1.

5.2 Assignment; No Third Party Beneficiaries.

5.2.1 This Agreement and the rights, duties and obligations of the Company hereunder may not be assigned or delegated by the Company in whole or in part.

5.2.2 Prior to the expiration of the Founder Shares Lock-up Period or the Private Placement Lock-up Period, as the case may be, no Holder may assign or delegate such Holder's rights, duties or obligations under this Agreement, in whole or in part, except in connection with a transfer of Registrable Securities by such Holder to a Permitted Transferee.

5.2.3 This Agreement and the provisions hereof shall be binding upon and shall inure to the benefit of each of the parties and its successors and the permitted assigns of the Holders, which shall include Permitted Transferees.

5.2.4 This Agreement shall not confer any rights or benefits on any persons that are not parties hereto, other than as expressly set forth in this Agreement and Section 5.2 hereof.

5.2.5 No assignment by any party hereto of such party's rights, duties and obligations hereunder shall be binding upon or obligate the Company unless and until the Company shall have received (i) written notice of such assignment as provided in Section 5.1 hereof and (ii) the written agreement of the assignee, in a form reasonably satisfactory to the Company, to be bound by the terms and provisions of this Agreement (which may be accomplished by an addendum or certificate of joinder to this Agreement). Any transfer or assignment made other than as provided in this Section 5.2 shall be null and void.

5.3 Severability. This Agreement shall be deemed severable, and the invalidity or unenforceability of any term or provision hereof shall not affect the validity or enforceability of this Agreement or of any other term or provision hereof. Furthermore, in lieu of any such invalid or unenforceable term or provision, the parties hereto intend that there shall be added as a part of this Agreement a provision as similar in terms to such invalid or unenforceable provision as may be possible that is valid and enforceable.

5.4 Counterparts. This Agreement may be executed in multiple counterparts (including facsimile or PDF counterparts), each of which shall be deemed an original, and all of which together shall constitute the same instrument, but only one of which need be produced.

5.5 Entire Agreement. This Agreement (including all agreements entered into pursuant hereto and all certificates and instruments delivered pursuant hereto and thereto) constitute the entire agreement of the parties with respect to the subject matter hereof and supersede all prior and contemporaneous agreements, representations, understandings, negotiations and discussions between the parties, whether oral or written.

5.6 Governing Law; Venue. NOTWITHSTANDING THE PLACE WHERE THIS AGREEMENT MAY BE EXECUTED BY ANY OF THE PARTIES HERETO, THE PARTIES EXPRESSLY AGREE THAT THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED UNDER THE LAWS OF THE STATE OF DELAWARE AS APPLIED TO AGREEMENTS AMONG DELAWARE RESIDENTS ENTERED INTO AND TO BE PERFORMED ENTIRELY WITHIN DELAWARE, WITHOUT REGARD TO THE CONFLICT OF LAW PROVISIONS OF SUCH JURISDICTION.

5.7 WAIVER OF TRIAL BY JURY. EACH PARTY HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES THE RIGHT TO A TRIAL BY JURY IN ANY ACTION, SUIT, COUNTERCLAIM OR OTHER PROCEEDING (WHETHER BASED ON CONTRACT, TORT OR OTHERWISE) ARISING OUT OF, CONNECTED WITH OR RELATING TO THIS AGREEMENT, THE TRANSACTIONS CONTEMPLATED HEREBY, OR THE ACTIONS OF THE SPONSOR IN THE NEGOTIATION, ADMINISTRATION, PERFORMANCE OR ENFORCEMENT HEREOF.

5.8 Amendment,Modification, and Waiver. Upon the written consent of the Company and the Holders of at least a majority-in-interest of the Registrable Securities at the time in question, compliance with any of the provisions, covenants and conditions set forth in this Agreement may be waived, or any of such provisions, covenants or conditions may be amended or modified; provided, however, that notwithstanding the foregoing, any amendment hereto or waiver hereof that adversely affects one Holder, solely in its capacity as a holder of the shares of capital stock of the Company, in a manner that is materially different from the other Holders (in such capacity) shall require the consent of the Holder so affected. No course of dealing between any Holder or the Company and any other party hereto or any failure or delay on the part of a Holder or the Company in exercising any rights or remedies under this Agreement shall operate as a waiver of any rights or remedies of any Holder or the Company. No single or partial exercise of any rights or remedies under this Agreement by a party shall operate as a waiver or preclude the exercise of any other rights or remedies hereunder or thereunder by such party.

5.9 Titles and Headings. Titles and headings of sections of this Agreement are for convenience only and shall not affect the construction of any provision of this Agreement.

5.10 Waivers and Extensions. Any party to this Agreement may waive any right, breach or default which such party has the right to waive; provided that such waiver will not be effective against the waiving party unless it is in writing, is signed by such party, and specifically refers to this Agreement. Waivers may be made in advance or after the right waived has arisen or the breach or default waived has occurred. Any waiver may be conditional. No waiver of any breach of any agreement or provision herein contained shall be deemed a waiver of any preceding or succeeding breach thereof nor of any other agreement or provision herein contained. No waiver or extension of time for performance of any obligations or acts shall be deemed a waiver or extension of the time for performance of any other obligations or acts.

5.11 Remedies Cumulative. In the event that the Company fails to observe or perform any covenant or agreement to be observed or performed under this Agreement, the Holders may proceed to protect and enforce its rights by suit in equity or action at law, whether for specific performance of any term contained in this Agreement or for an injunction against the breach of any such term or in aid of the exercise of any power granted in this Agreement or to enforce any other legal or equitable right, or to take any one or more of such actions, without being required to post a bond. None of the rights, powers or remedies conferred under this Agreement shall be mutually exclusive, and each such right, power or remedy shall be cumulative and in addition to any other right, power or remedy, whether conferred by this Agreement or now or hereafter available at law, in equity, by statute or otherwise.

5.12 Other Registration Rights. The Company represents and warrants that no person, other than a Holder of Registrable Securities, has any right to require the Company to register any securities of the Company for sale or to include such securities of the Company in any Registration filed by the Company for the sale of securities for its own account or for the account of any other person. Further, the Company represents and warrants that this Agreement supersedes any other registration rights agreement or agreement with similar terms and conditions and in the event of a conflict between any such agreement or agreements and this Agreement, the terms of this Agreement shall prevail.

5.13 Term. This Agreement shall terminate upon the earlier of (i) the date on which none of the Holders hold any Registrable Securities, (ii) the dissolution, liquidation, or winding up of the Company, or (iii) upon the unanimous agreement of the Investors. The provisions of Section 3.5 and *Article IV* shall survive any termination.

IN WITNESS WHEREOF, the undersigned have caused this Agreement to be executed as of the date first written above.

[*Signature Pages Follows*]

COMPANY:

PROOF ACQUISITION CORP I

By: _____
Name:
Title:

_____
By:
Its: Manager

[Signature Page to Amended and Restated Registration and Stockholder Rights Agreement]

HOLDERS:

PROOF ACQUISITION SPONSOR I, LLC

By: PROOF Sponsor Management, LLC
Its: Manager

By:
Its: Manager

[Signature Page to Amended and Restated Registration and Stockholder Rights Agreement]

HOLDERS:

By: _____
[●]

[Signature Page to Amended and Restated Registration and Stockholder Rights Agreement]

Exhibit 10.11

AMENDMENT to LETTER AGREEMENT

THIS AMENDMENT TO LETTER AGREEMENT (this "**Amendment**") is entered into as of November 30, 2023, by and between LSH Partners Securities LLC ("**LSHP**"), and PROOF Acquisition Corp I (the "**Company**"). All capitalized terms used in this Amendment and not otherwise defined herein shall have the meanings given to them in the engagement letter dated July 26, 2023, by and between LSHP and the Company (the "**Agreement**").

WHEREAS, the parties entered into the Agreement which outlines the terms and conditions of the engagement of LSHP to provide an Opinion to the Special Committee of the Board of Directors (the "**Committee**") of the Company in connection with a Transaction involving the Company or any of its affiliates and the Target;

WHEREAS, the parties wish to amend the Agreement to expressly provide for certain matters related to the potential Transaction between the Company and the Target

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. Section 2(b) the Agreement is hereby amended in its entirety to read as follows:

(b) A fee of (i) $750,000 payable upon consummation of the Transaction in shares of common stock of the Company, which stock shall be listed on the New York Stock Exchange (the "Stock"), and (ii) 100,000 warrants to purchase Class A common stock of the Company at an exercise price of $11.50 per warrant, issued under that certain Warrant Agreement, dated November 30, 3021, between the Company and Continental Stock Transfer & Trust Company, as warrant agent. The number of shares of Stock owed to LSHP under clause (i) of this paragraph (b) shall be equal to the greater of (A) 75,000 shares of Stock and (B) the quotient obtained by dividing (x) $750,000 by (y) the VWAP of the Stock over the three (3) trading days immediately preceding the date of the initial filing of the Registration Statement (as defined below) registering the resale of Stock, provided that clause (y) shall not be less than $2.00. Such Stock shall be delivered in book-entry form not later than forty-five (45) business days following the consummation of the Transaction. Any shares of Stock issued or transferred to LSHP in satisfaction of the payment obligation in clause (i) of this paragraph (b) shall be free and clear of all liens, encumbrances and other restrictions on the pledge, sale or other transfer of such shares of the Stock (including, without limitation, any restrictions that may arise due to applicable securities laws); provided, however, that if the Company is unable at the time of such issuance or transfer to provide for the issuance or transfer of the Stock without any transfer restrictions that may arise due to applicable securities laws, then the Company shall enter into an agreement with LSHP on the date of the consummation of the Transaction, in form and substance reasonably acceptable to LSHP, to provide LSHP with customary registration rights with respect to the Stock (the "Registration Rights"). Such Registration Rights shall include an agreement that the Company shall as soon as practicable, but in no event later than forty-five (45) business days after the consummation of the Transaction, file with the U.S. Securities and Exchange Commission a registration statement for the registration, under the Securities Act of 1933, as amended, of the resale of the Stock (the "Registration Statement"). The Company shall use its commercially reasonable efforts to cause the same to become effective and to maintain the effectiveness of such Registration Statement, and a current prospectus relating thereto, until the earlier of (X) the date on which LSHP ceases to hold any of such Stock or (Y) such Stock may be freely tradable under United States federal securities laws by anyone who is not an affiliate (as such term is defined in Rule 144 under the Securities Act of 1933, as amended (or any successor rule)) of the Company. If such Registration Rights are not granted, or the Company does not comply in all material respects with the obligation of clause (i) of this paragraph (b) to provide the Registration Rights, and fails to remedy such breach within thirty (30) days following receipt of notice of such breach from LSHP, the Company shall promptly pay to LSHP the fee owed in such clause (i) in cash.

2. Except as expressly provided in this Amendment, the Agreement shall continue in full force and effect. This Amendment shall be governed by and construed in accordance with the internal laws of the State of New York, without reference to principles of conflicts of law.

3. This Amendment may be executed by the parties hereto in separate counterparts, each of which when so executed and delivered shall constitute an original, while all such counterparts shall together constitute one and the same instrument.

IN WITNESS WHEREOF, this Amendment has been executed on behalf of the parties hereto as of the day and year first above written.

LSH PARTNERS SECURITIES LLC

By: /s/James L. Kempner
Name: James L. Kempner
Title: President

PROOF ACQUISITION CORP I

By: /s/John C. Backus, Jr.
Name: John C. Backus, Jr.
Title: President & Chief Executive Officer

SPECIAL COMMITTEE OF THE BOARD OF DIRECTORS OF PROOF ACQUISITION CORP I

By: /s/Lisa Suennen
Name: Lisa Suennen

Exhibit 10.12

AMENDMENT to LETTER AGREEMENT

THIS AMENDMENT TO LETTER AGREEMENT (this "**Amendment**") is entered into as of December 1, 2023, by and between BTIG, LLC ("**BTIG**"), and Volato, Inc. (the "**Company**"). All capitalized terms used in this Amendment and not otherwise defined herein shall have the meanings given to them in the engagement letter dated November 28, 2022, by and between BTIG and the Company (the "**Agreement**").

WHEREAS, the parties entered into the Agreement which contains the terms and conditions of the engagement of BTIG by the Company to act as a financial advisor to the Company in connection with a Transaction; and

WHEREAS, the parties wish to amend the Agreement to expressly provide for certain matters related to the potential Transaction between the Company and PROOF Acquisition Corp. I.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. Section 2(b) the Agreement is hereby amended by adding the following paragraph after the first paragraph of Section 2(b):

"BTIG and the Company agree that, if the Company consummates a Transaction with PROOF Acquisition Corp. I (or any of its subsidiaries or affiliates) as Purchaser, then the Success Fee may be paid, at the option of the Company, either in cash (as provided above) or the equivalent of $2,500,000 in shares of common stock of the public company entity that survives the Transaction, which stock is anticipated to be listed on the New York Stock Exchange American (the "*Stock*"). The number of shares of Stock that would be deliverable to BTIG in such event shall be equal to the greater of (i) 250,000 shares of Stock and (ii) the quotient obtained by dividing (x) $2,500,000 by (y) the VWAP of the Stock over the three (3) trading days immediately preceding the date of the initial filing of the Registration Statement (as defined below) registering the resale of Stock, provided that clause (y) shall not be less than $2.00. Such Stock shall be delivered in book-entry form not later than forty-five (45) business days following the consummation of the Transaction. Any shares of Stock issued or transferred to BTIG in satisfaction of the Success Fee shall be free and clear of all liens, encumbrances and other restrictions on the pledge, sale or other transfer of such shares of the Stock (including, without limitation, any restrictions that may arise due to applicable securities laws); provided, however, that if the Company is unable at the time of such issuance or transfer to provide for the issuance or transfer of the Stock without any transfer restrictions that may arise due to applicable securities laws, then the Company shall enter (or cause the public company entity that survives the Transaction to enter) into an agreement with BTIG at such time, in form and substance mutually acceptable and on normal and customary terms (including, without limitation, the specific terms provided in this paragraph) to provide registration rights with respect to the Stock (the "*Registration Rights*"). Such Registration Rights shall include an agreement that the Company (or the public company entity that survives the Transaction) shall as soon as practicable, but in no event later than forty-five (45) business days after the consummation of the Transaction, file with the U.S. Securities and Exchange Commission a registration statement for the registration, under the Securities Act of 1933, as amended, of the resale of the Stock (the "*Registration Statement*"). The Company (or the public company entity that survives the Transaction) shall use its commercially reasonable efforts to cause the same to become effective and to maintain the effectiveness of such Registration Statement, and a current prospectus relating thereto, until the earlier of (i) the date on which BTIG ceases to hold any of such Stock or (ii) such Stock may be freely tradable under United States federal securities laws by anyone who is not an affiliate (as such term is defined in Rule 144 under the Securities Act of 1933, as amended (or any successor rule)) of the Company (or the public company entity that survives the Transaction). If such Registration Rights are not granted, or the Company (or the public company entity that survives the Transaction) does not comply in all material respects with the obligation of this paragraph to provide the Registration Rights, and fails to remedy such breach within thirty (30) days following receipt of notice of such breach from BTIG, the Company (or the public company entity that survives the Transaction) shall promptly pay to BTIG the Success Fee in cash."

2. Section 6(d) of the Agreement is hereby deleted in its entirety and replaced with the following:

"(d) The provisions of Sections 3 (Expenses and Payments), 4 (Information), 5 (Indemnity, including Annex A), 6 (Term; Termination), 7 (Miscellaneous) and 8 (Right of First Refusal) shall survive any termination or expiration of this Agreement. The provisions of Section 2 (Fees) shall also survive any termination or expiration of this Agreement, other than (i) a termination by BTIG (except in the event of an Alternate Transaction, in which case BTIG's right to a Termination Fee shall survive) or (ii) a termination by the Company for Cause. In the event of a termination of this Agreement by the Company for Cause, the Company shall be obligated to pay BTIG any unpaid Success Fee or Termination Fee that accrued prior to the "for Cause" event. Promptly after a termination of the engagement of BTIG hereunder (other than in the case of termination by the Company for Cause), the Company shall pay BTIG's reasonable out-of-pocket expenses incurred during the term of the engagement, including the fees and disbursements of BTIG's legal counsel, in accordance with Section 3 above. If the Company is not the ultimate surviving public company in the Transaction, the Company shall cause its obligations pursuant to this Agreement to be assumed promptly upon the consummation of the Transaction by the public company entity that survives the Transaction."

3. The Agreement is hereby amended by adding following paragraphs as Section 8 of the Agreement following Section 7 of the Agreement:

"8. **Right of First Refusal**. In the event that the Company consummates a Transaction with PROOF Acquisition Corp. I (or any of its subsidiaries or affiliates) as Purchaser, the Company hereby grants BTIG the right of first refusal to:

(a) Be a joint bookrunner in the case of any public offering of the securities of the public company entity that survives the Transaction, or a joint placement agent in the case of a private placement of the securities of the public company entity that survives the Transaction, for a period of twenty-four (24) months following the consummation of the Transaction. The terms of such an engagement would be consistent with standard industry terms and mutually acceptable to the Company and BTIG; provided, however, that in no circumstance shall BTIG receive a percentage of the underwriting discount, placement fees, warrants, and any other associated fees that is less than the percentage of such underwriting discount, placement fees, warrants, and any other associated fees paid to any other underwriter in the case of a public offering or any other placement agent in the case of a private placement.

(b) Be the exclusive capital markets advisor, exclusive financial advisor and the exclusive dealer manager to the public company entity that survives the Transaction in the case of any transaction involving (i) amendment(s) to the terms of the warrants of the public company entity that survives the Transaction (the "*Warrants*"), (ii) any exchange of the Warrants for cash and/or any other security and/or (iii) a tender offer involving the Warrants, for a period of twenty-four (24) months following the consummation of the Transaction. The terms of such engagement would be consistent with standard industry terms.

(c) Be the joint financial advisor to the public company entity that survives the Transaction in connection with, whether in one or a series of transactions, any merger, reverse merger, acquisition, consolidation, reorganization, recapitalization, restructuring, buyout, joint venture, other business combination, or any alternate structure pursuant to which all or substantially all of the public company entity that survives the Transaction and any other party are combined, that is consummated or for which a definitive agreement is executed for a period of twenty-four (24) months following the consummation of the Transaction. The terms of such engagement would be consistent with standard industry terms; provided, however, that in no circumstance shall BTIG receive a percentage of the fees paid to financial advisors in connection with such transaction that is less than the percentage of such fees paid to any other financial advisor in connection with such transaction.

(d) The foregoing notwithstanding, (i) BTIG shall not be obligated to act as the underwriter, placement agent or financial advisor, capital markets advisor or dealer manager and (ii) BTIG's right of first refusal to serve as joint financial advisor pursuant to Section 8(c) hereof shall be subject to the rights granted by the Company prior to December 1, 2023 to 1858 Management Consulting, LLC ("*1858*") as set forth in that certain engagement agreement between the Company and 1858, dated as of September 20, 2023."

4. The first sentence of Annex A to the Agreement is hereby amended to replace the phrase "the Agreement dated _____, 2022" with the phrase "the Agreement dated November 28, 2022".

5. Except as expressly provided in this Amendment, the Agreement shall continue in full force and effect. This Amendment shall be governed by and construed in accordance with the internal laws of the State of Delaware, without reference to principles of conflicts of law.

6. This Amendment may be executed by the parties hereto in separate counterparts, each of which when so executed and delivered shall constitute an original, while all such counterparts shall together constitute one and the same instrument.

[Continued on Next Page]

IN WITNESS WHEREOF, this Amendment has been executed on behalf of the parties hereto as of the day and year first above written.

BTIG, LLC

By: /s/JT Herman
Name: JT Herman
Title: Managing Director

VOLATO, INC.

By: /s/Matt Liotta
Name: Matt Liotta
Title: Chief Executive Officer

Exhibit 10.13

December 1, 2023

STRICTLY CONFIDENTIAL

Mr. Keith Rabin
Volato, Inc.
1954 Airport Road
Suite 124
Chamblee, GA 30341

Re: Advisory Engagement Amendment

Dear Keith:

This is an amendment (the "Amendment") to the advisory engagement agreement dated October 16, 2023 between Volato, Inc. ("Volato") and Roth Capital Partners, LLC ("Roth"), hereinafter (the "Agreement").

1. The first paragraph of Section 2 in the Agreement, including the table in that paragraph, is deleted in its entirety and replaced with the following paragraph:

   'Roth and the Company agree that, if the Company consummates a Transaction with PROOF Acquisition Corp. I (or any of its subsidiaries or affiliates) as Purchaser, then the Success Fee may be paid, at the option of the Company, either in cash (as provided above) or the equivalent of $1,000,000 in shares of common stock of the public company entity that survives the Transaction, which stock is anticipated to be listed on the New York Stock Exchange American (the "*Stock*"). The number of shares of Stock that would be deliverable to Roth in such event shall be equal to the greater of (i) 100,000 shares of Stock and (ii) the quotient obtained by dividing (x) $1,000,000 by (y) the VWAP of the Stock over the three (3) trading days immediately preceding the date of the initial filing of the Registration Statement (as defined below) registering the resale of Stock, provided that clause (y) shall not be less than $2.00. Such Stock shall be delivered in book-entry form not later than forty-five (45) business days following the consummation of the Transaction. Any shares of Stock issued or transferred to Roth in satisfaction of the Success Fee shall be free and clear of all liens, encumbrances and other restrictions on the pledge, sale or other transfer of such shares of the Stock (including, without limitation, any restrictions that may arise due to applicable securities laws); provided, however, that if the Company is unable at the time of such issuance or transfer to provide for the issuance or transfer of the Stock without any transfer restrictions that may arise due to applicable securities laws, then the Company shall enter (or cause the public company entity that survives the Transaction to enter) into an agreement with Roth at such time, in form and substance mutually acceptable and on normal and customary terms to provide limited registration rights with respect to the Stock (the "*Registration Rights*"). If such Registration Rights are not granted, or the Company (or the public company entity that survives the Transaction) does not comply in all material respects with the obligation of this paragraph to provide the Registration Rights, and fails to remedy such breach within thirty (30) days following receipt of notice of such breach from Roth, the Company (or the public company entity that survives the Transaction) shall promptly pay to Roth the Success Fee in cash."

2. Section 5 in the Agreement, Other Services, is deleted in its entirety and replaced with the following paragraph:

Section 5. Right of First Refusal. In the event that the Company consummates a Transaction with PROOF Acquisition Corp. I (or any of its subsidiaries or affiliates) as Purchaser, the Company hereby grants Roth the right of first refusal, subject to other rights previously granted by the Company, to:

(a) Be a joint bookrunner in the case of any public offering of the securities of the public company entity that survives the Transaction, or a joint placement agent in the case of a private placement of the securities of the public company entity that survives the Transaction, for a period of twelve (12) months following the consummation of the Transaction. The terms of such an engagement would be consistent with standard industry terms and mutually acceptable to the Company and Roth; provided, however, that in no circumstance shall Roth receive a percentage of the underwriting discount, placement fees, warrants, and any other associated fees that is less than the percentage of such underwriting discount, placement fees, warrants, and any other associated fees paid to any other underwriter in the case of a public offering or any other placement agent in the case of a private placement.

(b) Be the joint financial advisor to the public company entity that survives the Transaction in connection with, whether in one or a series of transactions, any merger, reverse merger, acquisition, consolidation, reorganization, recapitalization, restructuring, buyout, joint venture, other business combination, or any alternate structure pursuant to which all or substantially all of the public company entity that survives the Transaction and any other party are combined, that is consummated or for which a definitive agreement is executed for a period of twelve (12) months following the consummation of the Transaction. The terms of such engagement would be consistent with standard industry terms; provided, however, that in no circumstance shall Roth receive a percentage of the fees paid to financial advisors in connection with such transaction that is less than the percentage of such fees paid to any other financial advisor in connection with such transaction.

All other provisions in the Agreement remain in effect.

[Remainder of Page Intentionally left Blank]

Very truly yours,

ROTH CAPITAL PARTNERS, LLC

By: /s/Gil Ottensoser
Name: Gil Ottensoser
Its: Managing Director

Accepted as of the date first above written:

VOLATO, INC.

By: /s/Matt Liotta

Name: Matt Liotta
Its: CEO

Exhibit 10.14

PRE-DELIVERY PAYMENT AGREEEMENT

THIS PRE-DELIVERY PAYMENT AGREEMENT (this "**PDP Agreement**") is dated effective as of October 5, 2022 (the "**Effective Date**"), by and between SAC LEASING V280, LLC, a Delaware limited liability company, as lender ("**PDP Lender**"), and VOLATO, INC., a Georgia corporation, as borrower ("**PDP Borrower**").

RECITALS

WHEREAS, PDP Borrower has entered into the Purchase Agreements with Vendor for the purchase of each of the Aircraft (true and correct copies of each of the Purchase Agreements, together with all amendments thereto, are attached hereto as composite **Exhibit A**); and

WHEREAS, PDP Borrower has requested that PDP Lender make certain pre-delivery or progress payments to the Vendor on behalf of PDP Borrower pursuant to the Purchase Agreements, subject to and in accordance with the terms and conditions set forth in this PDP Agreement.

NOW THEREFORE, in consideration of the mutual promises and covenants set forth herein and other good and valuable consideration, the receipt and sufficiency of which is hereby conclusively acknowledged, and in order to induce the PDP Lender to make the Pre-Delivery Payments (as such term is defined below) on behalf of PDP Borrower, the PDP Borrower and the PDP Lender, intending to be legally bound, hereby agree as follows:

1. **Incorporation of Recitals; Defined Terms**. Each of the above recitals are true and correct in all material respects and are hereby incorporated by reference herein. Capitalized terms used but not otherwise defined herein, including capitalized terms used in the above recitals, shall have the meanings ascribed to them on **Annex A** to this PDP Agreement.

2. **Pre-Delivery Payments.**

(a) PDP Borrower hereby requests PDP Lender to make pre-delivery or progress payments (each, a "**Pre-Delivery Payment**" and collectively, the "**Pre-Delivery Payments**") on behalf of PDP Borrower to Vendor pursuant to the Purchase Agreements as follows:

(i) PDP Borrower requests that PDP Lender make the following Pre- Delivery Payments to Vendor with respect to Purchase Agreement No. 1:

(A) Three Million and No/100 Dollars ($3,000,000.00) on or before October 15, 2022, representing the "Fourth" payment due under Purchase Agreement No. 1 (the "**Purchase Agreement No. 1 L/C Trigger Payment**"); provided, however, that PDP Borrower will have the option, exercisable by written notice to PDP Lender no later than October 7, 2022, to make the Purchase Agreement No. 1 L/C Trigger Payment directly to Vendor in lieu of providing PDP Lender with Letter of Credit No. 1 (as such term is defined below), whereupon (ii) PDP Borrower will cause Vendor to provide written confirmation of receipt of the entire Purchase Agreement No. 1 L/C Trigger Payment from PDP Borrower, (ii) PDP Borrower will pay to PDP Lender the sum of Two Hundred Fifty Thousand and No/100 Dollars ($250,000.00) (the "**Purchase Agreement No. 1 Reserve**"), which Purchase Agreement No. 1 Reserve will be held by PDP Lender as further security for the Obligations and applied in accordance with Section 4(c) or Section 7 below, as applicable, and (ii) PDP Lender will be relieved of any responsibility to make the Purchase Agreement No. 1 L/C Trigger Payment to Vendor or otherwise;

(B) Three Million and No/100 Dollars ($3,000,000.00) on or before January 15, 2023, representing the "Fifth" payment due under Purchase Agreement No. 1; and

(C) Three Million and No/100 Dollars ($3,000,000.00) on or before April 15, 2023, representing the "Sixth" payment due under Purchase Agreement No. 1.

(ii) PDP Borrower requests that PDP Lender make the following Pre- Delivery Payments to Vendor with respect to Purchase Agreement No. 2:

(A) One Million Five Hundred Thousand and No/100 Dollars ($1,500,000.00) on or before December 15, 2022, representing the "Third" payment due under Purchase Agreement No. 2 (the "**Purchase Agreement No. 2 L/C Trigger Payment**"); provided, however, that PDP Borrower will have the option, exercisable by written notice to PDP Lender no later than December 1, 2022, to make the Purchase Agreement No. 2 L/C Trigger Payment directly to Vendor in lieu of providing PDP Lender with Letter of Credit No. 2 (as such term is defined below), whereupon (ii) PDP Borrower will cause Vendor to provide written confirmation of receipt of the entire Purchase Agreement No. 2 L/C Trigger Payment from PDP Borrower, (ii) PDP Borrower will pay to PDP Lender the sum of Two Hundred Fifty Thousand and No/100 Dollars ($250,000.00) (the "**Purchase Agreement No. 2 Reserve**"), which Purchase Agreement No. 2 Reserve will be held by PDP Lender as further security for the Obligations and applied in accordance with Section 4(c) or Section 7 below, as applicable, and (ii) PDP Lender will be relieved of any responsibility to make the Purchase Agreement No. 2 L/C Trigger Payment to Vendor or otherwise;;

(B) Three Million and No/100 Dollars ($3,000,000.00) on or before April 15, 2023, representing the "Fourth" payment due under Purchase Agreement No. 2;

(C) Three Million and No/100 Dollars ($3,000,000.00) on or before July 15, 2023, representing the "Fifth" payment due under Purchase Agreement No. 2; and

(D) Three Million and No/100 Dollars ($3,000,000.00) on or before October 15, 2023, representing the "Sixth" payment due under Purchase Agreement No. 2.

(iii) PDP Borrower requests that PDP Lender make the following Pre- Delivery Payments to Vendor with respect to Purchase Agreement No. 3:

(A) One Million Five Hundred Thousand and No/100 Dollars ($1,500,000.00) on or before March 15, 2023, representing the "Third" payment due under Purchase Agreement No. 3 (the "**Purchase Agreement No. 3 L/C Trigger Payment**"); provided, however, that PDP Borrower will have the option, exercisable by written notice to PDP Lender no later than March 1, 2023, to make the Purchase Agreement No. 3 L/C Trigger Payment directly to Vendor in lieu of providing PDP Lender with Letter of Credit No. 3 (as such term is defined below), whereupon (ii) PDP Borrower will cause Vendor to provide written confirmation of receipt of the entire Purchase Agreement No. 3 L/C Trigger Payment from PDP Borrower, (ii) PDP Borrower will pay to PDP Lender the sum of Two Hundred Fifty Thousand and No/100 Dollars ($250,000.00) (the "**Purchase Agreement No. 3 Reserve**"), which Purchase Agreement No. 3 Reserve will be held by PDP Lender as further security for the Obligations and applied in accordance with Section 4(c) or Section 7 below, as applicable, and (ii) PDP Lender will be relieved of any responsibility to make the Purchase Agreement No. 3 L/C Trigger Payment to Vendor or otherwise;;

(B) Three Million and No/100 Dollars ($3,000,000.00) on or before July 15, 2023, representing the "Fourth" payment due under Purchase Agreement No. 3;

(C) Three Million and No/100 Dollars ($3,000,000.00) on or before October 15, 2023, representing the "Fifth" payment due under Purchase Agreement No. 3; and

(D) Three Million and No/100 Dollars ($3,000,000.00) on or before January 15, 2024, representing the "Sixth" payment due under Purchase Agreement No. 3.

(iv) PDP Borrower requests that PDP Lender make the following Pre- Delivery Payments to Vendor with respect to Purchase Agreement No. 4:

(A) One Million Five Hundred Thousand and No/100 Dollars ($1,500,000.00) on or before June 15, 2023, representing the "Third" payment due under Purchase Agreement No. 4 (the "**Purchase Agreement No. 4 L/C Trigger Payment**"); provided, however, that PDP Borrower will have the option, exercisable by written notice to PDP Lender no later than June 1, 2023, to make the Purchase Agreement No. 4 L/C Trigger Payment directly to Vendor in lieu of providing PDP Lender with Letter of Credit No. 4 (as such term is defined below), whereupon (ii) PDP Borrower will cause Vendor to provide written confirmation of receipt of the entire Purchase Agreement No. 4 L/C Trigger Payment from PDP Borrower, (ii) PDP Borrower will pay to PDP Lender the sum of Two Hundred Fifty Thousand and No/100 Dollars ($250,000.00) (the "**Purchase Agreement No. 4 Reserve**" and, collectively with the Purchase Agreement No. 1 Reserve, the Purchase Agreement No. 2 Reserve, and the Purchase Agreement No. 3 Reserve, the "**Reserves**"), which Purchase Agreement No. 4 Reserve will be held by PDP Lender as further security for the Obligations and applied in accordance with Section 4(c) or Section 7 below, as applicable, and (ii) PDP Lender will be relieved of any responsibility to make the Purchase Agreement No. 4 L/C Trigger Payment to Vendor or otherwise;;

(B) Three Million and No/100 Dollars ($3,000,000.00) on or before October 15, 2023, representing the "Fourth" payment due under Purchase Agreement No. 4;

(C) Three Million and No/100 Dollars ($3,000,000.00) on or before January 15, 2024, representing the "Fifth" payment due under Purchase Agreement No. 4; and

(D) Three Million and No/100 Dollars ($3,000,000.00) on or before April 15, 2024, representing the "Sixth" payment due under Purchase Agreement No. 4.

(b) The amount to be funded hereunder may be unilaterally reduced by PDP Lender in the event of any increase in the amount that Vendor may retain as liquidated damages upon PDP Borrower's default under the Purchase Agreements as currently set forth in Section 3.3 of the Purchase Agreements or any similar right to payment or abatement available to Vendor (or any Affiliate of Vendor) with respect to any return or remittance of any deposit, pre-delivery payment, progress payment or other amounts paid or advanced by PDP Borrower (or any Affiliate of PDP Borrower) or PDP Lender in connection with any termination or rescission of any of the Purchase Agreements.

(c) Each Pre-Delivery Payment shall be evidenced by and repayable to PDP Lender together with interest and any other amounts due and payable in accordance with the terms hereof and the terms and provisions of a Pre-Delivery Payment Promissory Note in the form attached hereto as Exhibit B (each a "**PDP Note**") which references this PDP Agreement. Each Pre- Delivery Payment made hereunder shall constitute a "**Loan**." So long as no Event of Default has occurred and is continuing, and subject to PDP Lender's prior receipt and approval of all Required Documentation (as defined below), and satisfaction of all of the terms and conditions set forth herein, including, without limitation, the conditions precedent set forth in Section 3 below, PDP Lender agrees to make the Pre-Delivery Payments contemplated hereby.

3. **Conditions Precedent**. The obligation of PDP Lender to make any Loan or Pre-Delivery Payment hereunder is subject to the satisfaction or waiver by PDP Lender of the following conditions precedent:

(a) receipt by PDP Lender of the following irrevocable standby letters of credit from JP Morgan Chase Bank, N.A. in the form attached hereto as **Exhibit D** (collectively, the "**Letters of Credit**"):

(i) as a condition precedent to PDP Lender's making of the Purchase Agreement No. 1 L/C Trigger Payment, receipt by PDP Lender of a Letter of Credit in the amount of $250,000 ("**Letter of Credit No. 1**");

(ii) as a condition precedent to PDP Lender's making of the Purchase Agreement No. 2 L/C Trigger Payment, receipt by PDP Lender of a Letter of Credit in the amount of $1,750,000 ("**Letter of Credit No. 2**");

(iii) as a condition precedent to PDP Lender's making of the Purchase Agreement No. 3 L/C Trigger Payment, receipt by PDP Lender of a Letter of Credit in the amount of $1,750,000 ("**Letter of Credit No. 3**"); and

(iv) as a condition precedent to PDP Lender's making of the Purchase Agreement No. 2 L/C Trigger Payment, receipt by PDP Lender of a Letter of Credit in the amount of $1,750,000 ("**Letter of Credit No. 4**").

(b) receipt by PDP Lender of the following documentation (collectively with this PDP Agreement, the "**Required Documentation**"):

(i) the applicable Letters of Credit;

(ii) the applicable PDP Notes;

(iii) true and correct copies of each of the Purchase Agreements;

(iv) a collateral assignment of each of the Purchase Agreements (each a "**Collateral Assignment of Sale Agreement**" and collectively, the "**Collateral Assignments of Sale Agreements**");

(v) a request for advance in the form attached hereto as **Exhibit C** (each, a "**Request for Advance**"). Each Request for Advance shall include the actual amount of the Pre-Delivery Payment to be made, the date such Pre-Delivery Payment is to be made, and the wire transfer account instructions. Such Request for Advance must be provided to PDP Lender at least ten (10) days in advance of any such Pre-Delivery Payment;

(vi) acknowledgments and agreements with Vendor confirming the assignment of a collateral security interest in the Purchase Agreements by PDP Borrower to PDP Lender;

(vii) UCC-1 financing statement naming PDP Borrower, as debtor, and PDP Lender, as secured party, with respect to the assignment of the Purchase Agreements in favor of PDP Lender;

(viii) delivery to PDP Lender of the original, chattel paper versions of each of the Purchase Agreements;

(ix) a copy of the resolutions of the board of directors of PDP Borrower ratifying the execution, delivery and performance, respectively of the Required Documents to which it is a party, in each case certified by an officer or director of PDP Borrower;

(x) copies of the certificate of incorporation of PDP Borrower, certified by the secretary of state of Borrower's jurisdiction of incorporation no earlier than thirty (30) days prior to the date of this Agreement;

(xi) a certificate of an officer or director of PDP Borrower certifying the names of the officers or directors of PDP Borrower authorized to sign the Required Documents to which it is a party, together with a sample of the true signature of each such officer or director (the PDP Lender may conclusively rely on each such certificate until formally advised by a like certificate of any changes therein);

(xii) a copy of the PDP Borrower's bylaws;

(xiii) a legal opinion from counsel to PDP Borrower in form and substance reasonably acceptable to PDP Lender in all respects;

(xiv) copies of invoices from Vendor for each Pre-Delivery Payment to be made by PDP Lender pursuant to Section 2 above;

(xv) written confirmation from Vendor that Vendor has received the following payments from PDP Borrower (A) $3,000,000 pursuant to Purchase Agreement No. 1, (B) $1,500,000 pursuant to Purchase Agreement No. 2, (C) $1,500,000 pursuant to Purchase Agreement No. 3, and (D) $1,500,000 pursuant to Purchase Agreement No. 4 (collectively, the "**PDP Borrower PDP's**");

(xvi) receipt by PDP Lender of the then applicable portion of the Closing Fee (as such term is defined below); and

(xvii) such other documents and certificates as the PDP Lender may reasonably request.

The submission by PDP Borrower to PDP Lender of a Request for Advance with respect to any Pre-Delivery Payment to be made hereunder, and the acceptance by the PDP Borrower (or Vendor on behalf of PDP Borrower) of a Pre-Delivery Payment, shall constitute a representation and warranty by PDP Borrower as of the date of such funding that all conditions precedent contained in this Section 3 applicable to such Pre-Delivery Payment have been satisfied.

4. **Additional Payments; Failure to Delivery Letters of Credit; Application of Reserves.**

(a) Other than any PDP Borrower PDP's previously made to Vendor by PDP Borrower and as otherwise expressly set forth herein, PDP Borrower shall make no periodic installments of the "**Purchase Price**" (as such term is defined in the Purchase Agreements) due and payable by PDP Borrower as set forth in the Purchase Agreements other than by the financing of such periodic installments through the making of Pre-Delivery Payments hereunder. Notwithstanding the foregoing, as a condition precedent to PDP Lender's undertaking to make Pre-Delivery Payments hereunder, PDP Borrower agrees to pay any portion of a payment due under any of the Purchase Agreements that is not advanced by PDP Lender as a Pre-Delivery Payment hereunder.

(b) The failure by PDP Borrower to either (i) deliver Letter of Credit No. 1 to PDP Lender in the form required hereunder by October 10, 2022, or (ii) make the payments required by Section 2(a)(i)(A) above will relieve PDP Lender of any obligation to make any Pre-Delivery Payments with respect to Purchase Agreement No. 1. The failure by PDP Borrower to either (i) deliver Letter of Credit No. 2 to PDP Lender in the form required hereunder by December 10, 2022, or (ii) make the payments required by Section 2(a)(ii)(A) above will relieve PDP Lender of any obligation to make any Pre-Delivery Payments with respect to Purchase Agreement No. 2. The failure by PDP Borrower to either (i) deliver Letter of Credit No. 3 to PDP Lender in the form required hereunder by March 10, 2023, or (ii) make the payment required by Section 2(a)(iii)(A) above will relieve PDP Lender of any obligation to make any Pre-Delivery Payments with respect to Purchase Agreement No. 3. The failure by PDP Borrower to either (i) deliver Letter of Credit No. 4 to PDP Lender in the form required hereunder by June 10, 2023, or (ii) make the payments required by Section 2(a)(iv)(A) above will relieve PDP Lender of any obligation to make any Pre-Delivery Payments with respect to Purchase Agreement No. 4.

(c) So long as no Default or Event of Default has occurred and is continuing, on the Maturity Date (or such earlier date that PDP Borrower repays in full to PDP Lender any Pre- Delivery Payments made by PDP Lender pursuant to any particular Purchase Agreement), PDP Lender will apply any Reserves held in connection with a particular Purchase Agreement in reduction of any and all sums due and payable by PDP Borrower in respect of the Loans made in connection with such Purchase Agreement.

5. **Fees and Costs**. As a condition precedent to the PDP Lender's obligation to make any Pre-Delivery Payment hereunder, PDP Borrower agrees to pay to PDP Lender a closing fee in the aggregate amount of $607,500 (the "**Closing Fee**"). The Closing Fee will be payable as follows:
$303,750 will be paid by PDP Borrower to PDP Lender on the Effective Date and the balance of the Closing Fee will be due and payable in incremental payments prior to PDP Lender making any Pre-Delivery Payment in an amount equal to 0.75% of each such Pre-Delivery Payment. In addition, PDP Borrower shall promptly pay or reimburse PDP Lender for all its reasonable out of pocket costs and expenses incurred in connection with the preparation and execution of this PDP Agreement and the other Required Documents, and any amendment, supplement or modification to this PDP Agreement and/or the other Required Documents and the consummation of the transactions contemplated hereby and thereby, including the reasonable fees and disbursements of counsel to PDP Lender and filing and recording fees and expenses; provided that PDP Lender agrees to apply the Proposal Fee set out in the Term Sheet between the Parties dated August 3, 2022 in reduction of any such out of pocket costs and expenses.

6. **Grant of Security**. In order to secure the prompt payment and performance when due (by reason of acceleration or otherwise) of all indebtedness, obligations or liabilities of PDP Borrower and any Affiliate, parent or subsidiary of PDP Borrower owing to PDP Lender or any Affiliate, parent or subsidiary of PDP Lender, in any amount, of every kind and description, direct or indirect, secured or unsecured, joint or several, absolute or contingent, due or to become due, whether for payment or performance, now existing or hereafter arising, regardless of how the same arise or by whatever instrument, agreement or book account they may be evidenced, including but not limited to all such obligations under or in respect of this PDP Agreement, any PDP Note or any of the other Required Documents (collectively, the "**Obligations**"), PDP Borrower has assigned to PDP Lender, and PDP Borrower hereby also grants and conveys to PDP Lender a security interest in and lien on, all of PDP Borrower's rights, title and interests of whatever kind or description in and to each of the Purchase Agreements, all of the Reserves, each of the Aircraft, and all present or future additions, attachments, or accessories thereto and replacements thereof, all engines and avionics, all tools, manuals, service records, software and similar information and materials related to any such Aircraft, all payments, amounts, refunds, rebates and all other amounts of any kind whatsoever relating to any or all of the Purchase Agreements and/or any or all of the Aircraft and the products, proceeds, rents and profits therefrom or thereof (collectively, the "**Collateral**"). PDP Borrower represents, warrants, covenants and agrees that (i) the assignment of, and security interest in and lien on, the Collateral granted herein shall have priority over any other security interests or lien of any kind whatsoever and PDP Borrower shall not assign, grant or otherwise convey any other security interests in or liens on any of the Collateral, and (ii) PDP Borrower shall, at its own cost and expense, promptly take such action as PDP Lender shall deem necessary or advisable to fully discharge all liens and security interests in the Collateral which result from claims against PDP Borrower not related to the transactions contemplated by this PDP Agreement. PDP Borrower hereby irrevocably appoints PDP Lender (and its agents and employees) its true and lawful attorney, with full power of substitution, to take such action as PDP Lender may deem necessary to protect and preserve its interest in or to the Collateral as set forth above, and waives its rights of notice, demand, dishonor, marshaling of Collateral, place and time of sale, advertising, statutory method of foreclosure and all bonds, securities and rights of redemption. Without limiting the generality of the foregoing, PDP Borrower hereby irrevocably and unconditionally authorizes PDP Lender (and its agents and employees) to fill in any blank spaces contained in any PDP Note and to file one or more UCC-1 financing statements with respect to the Collateral.

7. **Rights and Remedies on Default**. Upon the occurrence of any Default by PDP Borrower of its obligations hereunder, under any PDP Note, or under any other Required Document, or upon the occurrence of an Event of Default; then (i) PDP Borrower shall be deemed to be in default hereunder and shall immediately upon demand pay to PDP Lender the amount of all Pre-Delivery Payments made pursuant hereto, plus all accrued and unpaid interest then outstanding hereunder and under any PDP Note and any other amounts owing or payable to PDP Lender; (ii) PDP Lender shall have no further obligation of any kind whatsoever to make any Pre-Delivery Payments; and (iii) PDP Lender shall have, in addition to any other rights and remedies available upon the occurrence of an Event of Default, all of the rights and remedies of a secured party under the Uniform Commercial Code in effect in the State of New York, including. In addition, PDP Lender (x) shall have all of the rights and remedies available to it pursuant to the Collateral Assignments of Sale Agreements and any other related agreements between Vendor and PDP Lender, (y) may exercise its rights under the Letters of Credit, and (z) may apply any Reserves in its possession in reduction of any of the Obligations in such order as PDP Lender may elect.

8. **Payment in U.S. Dollars**. Each payment to be made by PDP Borrower hereunder or under any PDP Note in respect of any of the Obligations shall be made in United States Dollars. If PDP Lender receives any payment from or for the account of PDP Borrower in any currency other than United States Dollars (the **"Other Currency"**), that payment shall constitute satisfaction of the obligations of PDP Borrower hereunder or under the applicable PDP Note only to the extent of the amount denominated in United States Dollars that PDP Lender, in accordance with its normal banking procedures, could purchase with the amount of the Other Currency received by it on the first Business Day after the day of receipt.

9. **Interest**. Interest with respect to PDP Borrower's obligation to repay to PDP Lender the Pre-Delivery Payments (as and when contemplated herein) will accrue from the date each such Pre-Delivery Payment is made by PDP Lender until repayment in full of all amounts owing hereunder and under the PDP Notes.

10. **Representations and Warranties**. Except as otherwise expressly provided, the following representations, warranties and covenants shall be deemed made as of the date hereof and as of the funding date of any Loan. In order to induce PDP Lender to enter into this PDP Agreement and to make the Loans herein provided for, PDP Borrower represents, warrants and covenants to PDP Lender that:

(a) (i) PDP Borrower (A) is duly qualified to do business in each jurisdiction in which the conduct of its business or the ownership or operation of its assets requires such qualification; (B) has the necessary authority and power to own its assets and to transact the business in which it is engaged; and (C) has the form of business organization set forth in Annex B hereto and is and will remain duly organized, validly existing and in good standing under the laws of the state of its organization set forth in Annex B hereto and its state-issued organizational identification number (if any), chief executive office and principal place of business address are all as set forth on Annex B hereto; and (ii) its name as shown in the preamble of this PDP Agreement is its exact legal name as shown on its charter, by-laws, articles of organization or operating agreement, as applicable, each as amended as of the date hereof.

(b) (i) PDP Borrower's execution and delivery of, and performance of its obligations under and with respect to, each of the Required Documents, (A) have been duly authorized by all necessary action on the part of PDP Borrower consistent with its form of organization, (B) do not contravene or constitute a default under any Applicable Law, any of PDP Borrower's organizational documents, or any agreement, indenture, or other instrument to which PDP Borrower is a party or by which it may be bound, (C) do not require the approval of or notice to (1) any Governmental Authority, or (2) any other party (including any trustees or holders of indebtedness), and (D) will not result in the creation or imposition of any lien on any of the assets of PDP Borrower other than the PDP Lender's Lien created hereby and by the other Loan Documents with respect to the Collateral; (ii) each of the Required Documents has been duly executed and delivered by an authorized representative of PDP Borrower, and constitutes the legal, valid and binding obligation of the PDP Borrower, enforceable against PDP Borrower in accordance with the respective terms of such Loan Documents; and (iii) without limiting the foregoing, upon PDP Lender's advancing of any Loan on any funding date, (A) PDP Borrower will have satisfied or complied with all conditions precedent and requirements as set forth in this PDP Agreement and the other Required Documents required to have been satisfied or complied with concurrently with or prior to such Loan advance and (B) no Default or Event of Default shall be then existing.

(c) There are no proceedings pending or, so far as the officers, managers, or members of PDP Borrower know, threatened against or affecting PDP Borrower or any of its property before any Governmental Authority that could impair PDP Borrower's title to any of the Collateral, or that, if decided adversely, could materially affect the financial condition or operations of PDP Borrower or its ability to perform its obligations under any of the Loan Documents.

(d) All financial statements of PDP Borrower, copies of which have been heretofore delivered to PDP Lender, are complete and correct, have been prepared in accordance with generally accepted accounting principles and present fairly the financial position of PDP Borrower as at the date thereof and the results of its operations for the period ended on said date and there has been no material adverse change in the financial condition, business or operations of PDP Borrower since the date thereof; and (ii) PDP Borrower has filed all federal, state and local income tax returns that are required to be filed and has paid all taxes as shown on said returns and all assessments received by it to the extent that such taxes and assessments have become due, and PDP Borrower does not have any knowledge of any actual or proposed deficiency or additional assessment in connection therewith.

11. **Changes in Law**. If any Change in Law (as such term is defined below) after the date hereof shall (a) impose, modify or deem applicable any reserve, special deposit, compulsory loan, insurance charge or similar requirement against assets of, deposits with or for the account of, or credit extended or participated in by, PDP Lender; (b) subject PDP Lender to any tax of any kind whatsoever with respect to this PDP Agreement or change the basis of taxation of payments to PDP Lender in respect thereof; or (c) impose on the PDP Lender any other condition, cost or expense affecting this PDP Agreement or the advances made hereunder; and the result of any of the foregoing shall be to increase the cost to PDP Lender of making or maintaining any Loan made hereunder (or of maintaining its obligation to make any such Loan), or to increase the cost to PDP Lender or to reduce the amount of any sum received or receivable by PDP Lender (whether of principal, interest or any other amount) then, upon request of PDP Lender, PDP Borrower will pay to PDP Lender such additional amount or amounts as will compensate such PDP Lender for such additional costs incurred or reduction suffered. As used herein, the term "**Change in Law**" shall mean the occurrence, after the date of this PDP Agreement, of any of the following: (a) the adoption or taking effect of any law, rule, regulation or treaty, (b) any change in any law, rule, regulation or treaty or in the administration, interpretation or application thereof by any Governmental Authority or (c) the making or issuance of any request, guideline or directive (whether or not having the force of law) by any Governmental Authority.

12. **Prepayments and Late Payments**.

(a) In the event that PDP Borrower prepays any PDP Note in whole or in part prior to its scheduled Maturity Date (as defined in such PDP Note), then such prepayment shall be accompanied by a prepayment penalty equal to two percent (2%) of the amount of such prepayment (the "**Prepayment Premium**").

(b) In addition to the default interest payable pursuant to the terms of any PDP Note, a late charge equal to Seven Thousand Five Hundred and No/100 Dollars ($7,500.00) shall be imposed on any payment hereunder or under any PDP Note not received by the PDP Lender on or before the date such payment is due. The late charge is not a penalty, but liquidated damages to defray administrative and related expenses due to such late payment. The late charge shall be immediately due and payable and shall be paid by the PDP Borrower to the PDP Lender without notice or demand. This provision for a late charge is not and shall not be deemed a grace period, and PDP Lender has no obligation to accept a late payment. Further, the acceptance of a late payment without an accompanying late charge shall not be deemed a waiver of PDP Lender's right to collect such late charge or to collect a late charge for any subsequent late payment received.

13. **Foreign Taxes; Gross-Up**. Any payments and amounts due to PDP Lender under or in connection with this PDP Agreement or any PDP Note shall be paid to PDP Lender free and clear of any and all Foreign Taxes (as hereinafter defined). If any Foreign Taxes must be deducted or withheld from any amounts payable to PDP Lender, the amount payable shall be increased to yield to PDP Lender (after payment of all Foreign Taxes) the full dollar amount projected for payment. Whenever PDP Borrower pays any Foreign Tax on behalf of PDP Lender, PDP Borrower will promptly send to PDP Lender such documentary evidence of payment as PDP Lender may reasonably require. If PDP Lender is allowed a credit against income taxes in any jurisdiction other than the United States in respect of such Foreign Tax, PDP Lender will make annual refunds to PDP Borrower of the amount of such credits which are actually applied against income taxes for the applicable year. PDP Lender will make the final determination of whether and to what extent such credit is allowed. For the purposes of this paragraph, **"Foreign Taxes"** means any and all taxes, levies, imposts, duties, fees, charges, deductions, withholdings or restrictions by any taxing authority outside of the United States.

14. **Compliance with Laws**.

(a) PDP Borrower is and will remain in full compliance with all laws and regulations applicable to it including, without limitation, (i) ensuring that no person or entity that owns a controlling interest in or otherwise controls PDP Borrower is or shall be (Y) listed on the Specially Designated Nationals and Blocked Person List maintained by the Office of Foreign Assets Control ("**OFAC**"), Department of the Treasury, and/or any other similar lists maintained by OFAC pursuant to any authorizing statute, Executive Order or regulation or (Z) a person designated under Section 1(b), (c) or (d) of Executive Order No. 13224 (September 23, 2001), any related enabling legislation or any other similar Executive Orders, and (ii) compliance with all applicable Bank Secrecy Act ("**BSA**") laws, regulations and government guidance on BSA compliance and on the prevention and detection of money laundering violations.

(b) PDP Borrower is not a person entity with whom a United States person is prohibited from transacting business of the type contemplated by this PDP Agreement, whether such prohibition arises under United States law, regulation, executive orders and lists published by the OFAC (including those executive orders and lists published by OFAC with respect to Specially Designated Nationals and Blocked Persons) or otherwise. Neither PDP Borrower nor any person or entity that owns a direct or indirect interest in PDP Borrower is a person or entity with whom a United States person is prohibited from transacting business of the type contemplated by this PDP Agreement, whether such prohibition arises under United States law, regulation, executive orders and lists published by the OFAC (including those executive orders and lists published by OFAC with respect to Specially Designated Nationals and Blocked Persons) or otherwise.

(c) PDP Borrower represents and warrants it is in compliance with any and all applicable provisions of the USA PATRIOT Act of 2001, Pub. L. No. 107-56.

(d) PDP Borrower warrants and represents that no portion of any funds used or to be used to acquire any of the Aircraft is derived from Anti-Money Laundering Laws, meaning those laws, regulations and sanctions, state and federal, criminal and civil, that (a) limit the use of and/or seek the forfeiture of proceeds from illegal transactions; (b) limit commercial transactions with designated countries or individuals believed to be terrorists, narcotics dealers or otherwise engaged in activities contrary to the interests of the United States; (c) require identification and documentation of the parties with whom a financial institution conducts business; or (d) are designed to disrupt the flow of funds to terrorist organizations. Such laws, regulations and sanctions shall be deemed to include the Patriot Act, the BSA, the Trading with the Enemy Act, 50 U.S.C. App. Section 1 et. seq., the International Emergency Economic Powers Act, 50 U.S.C. Section 1701 et. seq., and the sanction regulations promulgated pursuant thereto by the OFAC, as well as laws relating to prevention and detection of money laundering in 18 U.S.C. Sections 1956 and 1957.

(e) PDP Borrower will cooperate with PDP Lender and provide such documentation or other evidence as is necessary for PDP Lender to demonstrate compliance with each of the statutes referred to herein and any regulations promulgated thereunder.

15. **Indemnity**.

(a) PDP Borrower assumes liability for, and hereby agrees to indemnify, protect, save, defend and keep harmless PDP Lender and its agents, employees, officers, directors, shareholders, subsidiaries, affiliates, successors and assigns (collectively "**Lender**"), on a net after-tax basis, from and against any and all liabilities, obligations, losses, damages, penalties, claims (including, without limitation, claims involving or alleging product liability or strict or absolute liability in tort), actions, suits, demands, costs, expenses and disbursements (including, without limitation, reasonable legal fees and expenses) of any kind and nature whatsoever (collectively, "**Claims**") which may be imposed on, incurred by or asserted against Lender, whether or not Lender shall also be indemnified as to any such Claim by any other Person, in any way relating to or arising out of this PDP Agreement or any documents contemplated hereby, including, without limitation, the execution by PDP Lender of the Collateral Assignments of Sale Agreements, or the performance or enforcement of any of the terms hereof or thereof, or in any way relating to or arising out of the assertion or enforcement of any manufacturer's, vendor's or dealer's warranties on the Aircraft or any part thereof, the manufacture, inspection, construction, purchase, acceptance, rejection, ownership, titling or re-titling, delivery, lease, sublease, possession, use, operation, maintenance, condition, registration or re-registration, sale, return, removal, repossession, storage or other disposition of the Aircraft or any part thereof or any accident in connection therewith (including, without limitation, latent and other defects, whether or not discoverable, and any Claim for patent, trademark or copyright infringement).

(b) Notwithstanding the foregoing, PDP Borrower shall not be required to indemnify Lender for any Claim caused solely and directly by the gross negligence or willful misconduct of the Lender as determined by a final, non-appealable judgment of a court of competent jurisdiction.

(c) WITHOUT LIMITING THE GENERALITY OF THE TERMS OF THIS PDP AGREEMENT, PDP BORROWER AGREES THAT LENDER SHALL NOT BE LIABLE TO PDP BORROWER FOR ANY CLAIM CAUSED DIRECTLY OR INDIRECTLY BY THE INADEQUACY OF THE AIRCRAFT OR ANY PART THEREOF FOR ANY PURPOSE OR ANY DEFICIENCY OR DEFECT THEREIN OR THE USE OF MAINTENANCE THEREOF OR ANY REPAIRS, SERVICING OR ADJUSTMENTS THERETO OR ANY DELAY IN PROVIDING OR FAILURE TO PROVIDE ANY OF THE SAME OR ANY INTERRUPTION OR LOSS OF SERVICE OR USE THEREOF OR ANY LOSS OF BUSINESS, OR PROFITS ALL OF WHICH SHALL BE THE SOLE RISK AND RESPONSIBILITY OF PDP BORROWER.

(d) The liability of PDP Borrower to make indemnification payments pursuant hereto shall, notwithstanding any expiration or other termination (whether voluntary, as the result of any default by PDP Borrower of its obligations or duties to PDP Lender, or otherwise) of this PDP Agreement, continue to exist until such indemnity payments are irrevocably and indefeasibly made by PDP Borrower in full and received by Lender. If any Claim is made against PDP Borrower or Lender, the party receiving notice of such Claim shall promptly notify the other, but the failure of the party receiving notice to so notify the other shall not relieve PDP Borrower of any obligation hereunder.

16. **Miscellaneous**.

(a) PDP Borrower and all other parties who may be liable (whether as endorsers, guarantor, sureties or otherwise) for payment of any sum or sums due or to become due under the terms of this PDP Agreement waive diligence, presentment, demand, protest, notice of dishonor and notice of any other kind whatsoever and agree to pay all costs incurred by PDP Lender in enforcing its rights under this PDP Agreement, including without limitation attorneys' fees (including attorneys' fees incurred in any appellate proceedings), and they do hereby consent to any number of renewals or extensions at any time in the payment of this PDP Agreement. No extension of time for payment of this PDP Agreement made by any agreement with any person now or hereafter liable for payment of this PDP Agreement shall operate to release, discharge, modify, change or affect the original liability of PDP Borrower under this PDP Agreement, either in whole or in part. No delay or failure by PDP Lender hereof in exercising any right, power, privilege or remedy shall be deemed to be a waiver of the same or any part thereof; nor shall any single or partial exercise thereof or any failure to exercise the same in any instance preclude any future exercise thereof, or exercise of any other right, power, privilege or remedy, and the rights and remedies provided for hereunder are cumulative and not exclusive of any other right or remedy available at law or in equity. PDP Lender may proceed against all or any of the Collateral securing this PDP Agreement, or may proceed contemporaneously or in the first instance against PDP Borrower, in such order and at such times following default hereunder as PDP Lender may determine in its sole discretion. All of PDP Borrower's obligations under this PDP Agreement and under the PDP Note are absolute and unconditional, and shall not be subject to any offset or deduction whatsoever. PDP Borrower waives any right to assert, by way of counterclaim or affirmative defense in any action to enforce PDP Borrower's obligations hereunder, any claim whatsoever against PDP Lender. This PDP Agreement shall be binding upon PDP Borrower and its respective heirs, executors, administrators, representatives, successors, transferees and assigns and the benefits hereof shall extend to and include PDP Lender and its successors, representatives, transferees and assigns; provided, however, that PDP Borrower shall not (by agreement, operation of law, or otherwise) assign any of its rights, or delegate any of its obligations, under or in connection with this PDP Agreement without the prior written consent of PDP Lender, and any such assignment or delegation made without such prior written consent of PDP Lender shall be null and void.

(b) ANY WAIVER OF ANY OF PDP LENDER'S RIGHTS OR REMEDIES SHALL BE EFFECTIVE ONLY IF SUCH WAIVER IS IN WRITING SIGNED BY PDP LENDER AND ONLY IN THE SPECIFIC INSTANCE AND FOR THE SPECIFIC PURPOSE FOR WHICH IT IS GIVEN. NO FAILURE TO EXERCISE, OR DELAY IN EXERCISING, ANY RIGHT HEREUNDER SHALL OPERATE AS A WAIVER THEREOF; NOR SHALL ANY FAILURE TO EXERCISE, OR PARTIAL EXERCISE OR, ANY RIGHT HEREUNDER PRECLUDE ANY OTHER OR FURTHER EXERCISE THEREOF OR THE EXERCISE OF ANY OTHER RIGHT.

(c) THIS PDP AGREEMENT AND THE LEGAL RELATIONS OF THE PDP BORROWER AND PDP LENDER SHALL IN ALL RESPECTS BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK, WITHOUT REGARD TO PRINCIPLES REGARDING THE CHOICE OF LAW (OTHER THAN THE PROVISIONS OF SECTIONS 5-1401 AND 5-1402 OF THE GENERAL OBLIGATIONS LAW OF THE STATE OF NEW YORK). PDP BORROWER HEREBY CONSENTS AND SUBMITS TO THE JURISDICTION OF THE COURTS OF THE STATE OF NEW YORK AND THE FEDERAL DISTRICT COURT FOR THE SOUTHERN DISTRICT OF NEW YORK FOR THE PURPOSES OF ANY SUIT, ACTION OR OTHER PROCEEDING ARISING OUT OF ITS OBLIGATIONS HEREUNDER, AND EXPRESSLY WAIVES ANY OBJECTIONS THAT IT MAY HAVE TO THE VENUE OF SUCH COURTS OR THE RIGHT TO CLAIM THAT ANY SUCH SUIT, ACTION OR OTHER PROCEEDING HAS BEEN BROUGHT IN AN INCONVENIENT FORUM. BORROWER HEREBY EXPRESSLY WAIVES ANY RIGHT TO TRIAL BY JURY IN ANY ACTION BROUGHT ON OR WITH RESPECT TO THIS PDP AGREEMENT.

(d) PDP Borrower agrees that final judgment against PDP Borrower in any action or proceeding in connection with this PDP Agreement shall be conclusive and may be enforced in any other jurisdiction within or outside the United States of America by suit on the judgment, a certified or exemplified copy of which shall be conclusive evidence of the fact and the amount of such party's indebtedness. To the extent that PDP Borrower may in any jurisdiction in which proceedings may at any time be taken for the determination of any question arising under or for the enforcement of this PDP Agreement (including any interlocutory proceedings or the execution of any judgment or award arising therefrom) be entitled to claim or otherwise be accorded for itself or its property, assets or revenues immunity from suit or attachment (whether in aid of execution, before judgment or otherwise) or other legal process, and to the extent that in any such jurisdiction, there may be attributed to such party, or its property, assets or revenues such immunity (whether or not claimed), such party hereby irrevocably agrees not to claim and waives such immunity to the fullest extent permitted by the Law of such jurisdiction.

(e) All notices to be given hereunder or under the other Required Documents shall be in writing and sent by certified or registered mail, return receipt requested, by overnight delivery service, with all charges prepaid, by messenger or email transmission. Notices shall be sent to the address for the PDP Lender and the PDP Borrower as set forth on the signature page of this PDP Agreement until another address is specified to all parties in a notice delivered in accordance with this section. Notice will be deemed received, if to the PDP Lender, upon actual receipt, and if to the PDP Borrower, on the fourth (4^{th}) Business Day after depositing such notice in the United States Post Office in the case of certified or registered mail, or upon reliable confirmation of delivery if sent by any other means. If the PDP Borrower refuses any such delivery, a notice so refused shall nonetheless be deemed delivered.

(f) This PDP Agreement and the other Loan Documents constitute the entire understanding and agreement of the parties hereto with respect to the matters contained herein and therein, and shall completely and fully supersede all other prior agreements (including any proposal letter, commitment letter, and/or term sheet), both written and oral, between PDP Lender and PDP Borrower relating to the Obligations. Neither this PDP Agreement, nor any terms hereof, may be changed, waived, discharged or terminated orally, but only by an instrument in writing signed by the party against which enforcement of a change, waiver, discharge or termination is sought.

(g) This PDP Agreement may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement. PDP Borrower may effectively deliver an executed counterpart of a signature page of any Required Document by facsimile or in electronic ("pdf" or "tif") format, however PDP Borrower shall also deliver to PDP Lender manually-executed originals of each Required Document, but the failure of PDP Borrower to do so shall not affect the validity, enforceability or binding effect of any Required Document as against PDP Borrower. If PDP Borrower electronically signs this PDP Agreement, it is PDP Borrower's intent to sign this PDP Agreement and submit it to PDP Lender electronically, thereby evidencing PDP Borrower's intent to be bound by, and comply with all terms and conditions of this PDP Agreement. If PDP Borrower electronically signs this PDP Agreement, PDP Borrower's decision to sign this PDP Agreement electronically is voluntary. PDP Borrower agrees that the words "execution," "sign," "signature," and words of similar import in this PDP Agreement shall be deemed to include electronic signatures and the storage of this PDP Agreement in electronic form. An electronically signed and stored version of this PDP Agreement shall have the same effect, validity and enforceability as a manually executed signature and paper version of this PDP Agreement, as provided for under Applicable Law, including without limitation the Electronic Signatures in Global and National Commerce Act of 2000 (15 U.S.C. § 7001 et seq.), the Electronic Signatures and Records Act of 1999 (NY State Technology Law § 301-309), and any successor legislation or other applicable state e-signature law. PDP Borrower acknowledges and agrees to the exclusive application of United States of America Federal Law and New York State Law with respect to the use of electronic signatures and electronic records, to use electronic signatures for the purpose of executing the Required Documents, and that electronic signatures operate as an original signature for all such purposes.

(h) Any provision of this PDP Agreement that may be determined to be prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective in such jurisdiction to the extent thereof without invalidating the remaining provisions of this PDP Agreement, which shall remain in full force and effect.

(i) Subject to any consents or agreements required by Vendor, PDP Lender may at any time, upon notice to PDP Borrower, freely grant a security interest in, sell, assign, participate or otherwise transfer (an "**Assignment**") all or any part of its interest in this PDP Agreement and the other Required Documents (including all associated rights associated with or secured thereby and the related international interests) or any amount due or to become due hereunder or thereunder, and PDP Borrower shall perform all of its obligations under the Required Documents, to the extent so transferred, for the benefit of the beneficiary of such Assignment (such beneficiary, including any successors and assigns, an "**Assignee**"). PDP Borrower hereby waives any right to assert, and agrees not to assert, against any Assignee any abatement, reduction, defense, setoff, recoupment, claim or counterclaim that PDP Borrower may have against PDP Lender. Upon the assumption by such Assignee of PDP Lender's obligations hereunder, PDP Lender shall be relieved of any such assumed obligations. PDP Borrower hereby consents to any such assignment, grant, sale or transfer. If so directed in writing, PDP Borrower shall pay all amounts due or to become due under the Required Documents, including any of the same constituting associated rights or proceeds directly to the Assignee or any other party designated in writing by PDP Lender or such Assignee. PDP Borrower acknowledges and agrees that PDP Lender's right to enter into an Assignment is essential to PDP Lender and, accordingly, waives any restrictions under Applicable Law with respect to an Assignment and any related remedies. Upon the request of PDP Lender or any Assignee, PDP Borrower also agrees to comply with any and all other reasonable requirements of any such Assignee in connection with any such Assignment. PDP Lender shall reimburse the PDP Borrower for any reasonable and documented expenses incurred by PDP Borrower with respect to any such Assignment.

{The remainder of this page is intentionally left blank. Signature page follows}

IN WITNESS WHEREOF, the parties hereto have each caused this Pre-Delivery Payment Agreement to be duly executed by their respective officers, thereunto duly authorized effective as of the date first written above.

PDP LENDER:

SAC LEASING V280, LLC, a
Delaware limited liability company

By: Shearwater Aero Capital, LLC, its
Manager

By: /s/Christopher Miller
Name: Christopher Miller
Title: Manager

Address:

SAC Leasing V280, LLC
C/O Shearwater Aero Capital LLP
8100 Roswell Road, Suite 101
Atlanta, Georgia 30350
Attention: Christopher Miller
Email: cmiller@shearwaterglobal.com

PDP BORROWER:

VOLATO, INC., a Georgia corporation

By: /s/Matthew Liotta
Name: Matthew Liotta
Title: Chief Executive Officer

Address:

Volato, Inc.
1954 Airport Road, Suite 124
Chamblee, Georgia 30341
Attention: Matt Liotta
Email: matt.liotta@flyvolato.com

With a copy to:

Volato, Inc.
1954 Airport Road, Suite 124
Chamblee, Georgia 30341
Attention: Jennifer Liotta
Email: legal@flyvolato.com

ANNEX A
DEFINITIONS

The following terms shall have the following meanings for all purposes of this PDP Agreement:

a. Rules of Interpretation. (1) The following terms shall be construed as follows: (a) "**herein**," "**hereof**," "**hereunder**," etc.: means in, of, under, etc. the PDP Agreement as a whole (and not merely in, of, under, etc. the section or provision where the reference occurs); (b) "**including**": means including without limitation unless such term is followed by the words "**and limited to**," or similar words; and (c) "**or**": means at least one, but not necessarily only one, of the alternatives enumerated. (2) Any defined term used in the singular preceded by "**any**" indicates any number of the members of the relevant class. (3) Except as otherwise indicated, all the agreements and instruments defined herein or in the PDP Agreement shall mean such agreements and instruments as the same may from time to time be supplemented or amended, or as the terms thereof may be expressly waived or modified to the extent permitted by, and in accordance with, the terms thereof. (4) The terms defined herein and in the PDP Agreement shall, for purposes of the PDP Agreement and the addenda, annexes, schedules, and exhibits thereto, have the meanings assigned to them and shall include the plural as well as the singular as the context requires.

Affiliate shall mean, with respect to PDP Lender or PDP Borrower or any third party, as applicable, any affiliated Person controlling, controlled by or under common control with such party, and for this purpose, 'control' means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of any such Person, whether through the legal or Beneficial Ownership of voting securities, by contract or otherwise.

Aircraft shall mean, collectively, Aircraft No. 1, Aircraft No. 2, Aircraft No. 3 and Aircraft No. 4.

Aircraft No. 1 shall mean the Aircraft referred to in, and to be purchased pursuant to, Purchase Agreement No. 1.

Aircraft No. 2 shall mean the Aircraft referred to in, and to be purchased pursuant to, Purchase Agreement No. 2.

Aircraft No. 3 shall mean the Aircraft referred to in, and to be purchased pursuant to, Purchase Agreement No. 3.

Aircraft No. 4 shall mean the Aircraft referred to in, and to be purchased pursuant to, Purchase Agreement No. 4.

Applicable Law shall mean all applicable laws, statutes, treaties, conventions, judgments, decrees, injunctions, writs and orders of any Governmental Authority and rules, regulations, orders, directives, licenses and permits of any Governmental Authority as amended and revised, and any judicial or administrative interpretation of any of the same, including the applicable Uniform Commercial Code as then in effect in the applicable jurisdiction.

Beneficial Owner shall mean, with respect to any Voting Stock, any Person who, directly or indirectly, through any contract, arrangement, understanding, relationship or otherwise has or shares (i) voting power which includes the power to vote, or to direct the voting of, such Voting Stock, and/or (ii) investment power which includes the power to dispose, or to direct the disposition of, such Voting Stock.

A Person shall be deemed the "Beneficial Owner" of Voting Stock to the extent that such Person has the right to acquire such Voting Stock, whether such right is currently exercisable or is exercisable only upon the occurrence of a subsequent condition.

Borrower Party shall mean Borrower and any other Person guaranteeing, securing, or otherwise agreeing to pay, perform or be responsible for any of the Obligations, together with each of their respective successors, permitted assigns, heirs and/or estates.

Business Day shall mean any day other than a Saturday, Sunday or other day on which banks located in New York, New York are closed or are authorized to close.

Capital Stock shall mean (i) in the case of a corporation, corporate stock, (ii) in the case of an association or business entity, any and all shares, interests, participations, rights or other equivalents (however designated) of corporate stock, (iii) in the case of a partnership or limited liability company, partnership or membership interests (whether general or limited) and (iv) any other interest or participation that confers on a Person the right to receive a share of the profits and losses of, or distribution of assets of, the issuing Person.

Change of Control shall mean the occurrence of any of the following: (i) the sale, lease, transfer, conveyance or other disposition (other than by way of merger or consolidation), in one or a series of related transactions, of all or substantially all of the assets of any Borrower Party to any Person, (ii) the adoption of a plan relating to the liquidation or dissolution of any Borrower Party, (iii) the consummation of any transaction (including, without limitation, any merger or consolidation) the result of which is that any Person becomes the Beneficial Owner, directly or indirectly, of more than thirty-five (35%) percent of the Voting Stock of any Borrower Party (measured by voting power rather than number of shares), or (iv) the first day on which a majority of the members of the board of directors of any Borrower Party are not Continuing Directors.

Continuing Directors shall mean, as of any date of determination, any member of the board of directors (or its equivalent) of the Borrower who (i) was a member of such board if directors (or its equivalent) on the effective date of this PDP Agreement, or (ii) was nominated for election or elected to such board of directors (or its equivalent) with the approval of a majority of the Continuing Directors who were members of such board of directors (or its equivalent) at the time of such nomination or election.

Default shall mean an event or circumstance that, after the giving of notice or lapse of time, or both, would become an Event of Default.

Event of Default shall mean:

(a) PDP Borrower shall fail to pay any Obligation when the same shall become due and payable (whether at the stated maturity, by acceleration, upon demand or otherwise); or

(b) (i) any Borrower Party shall default in the payment or performance of any indebtedness, liability or obligation to PDP Lender or any Affiliate of PDP Lender under any note, security agreement, lease, title retention or conditional sales agreement or any other instrument or agreement and any applicable grace period with respect thereto has expired; or (ii) any Borrower Party shall be in default in any payment or other obligation in excess of US$250,000 to any Person other than PDP Lender or its Affiliates and any applicable grace period with respect thereto has expired; or

(c) (i) any representation or warranty made by any Borrower Party in any of the Loan Documents or in any related agreement, document or certificate shall prove to have been incorrect, misleading, or inaccurate in any material respect when made or given (or, if a continuing representation or warranty, at any time); or (ii) any Borrower Party shall fail to (A) perform or observe any other agreement required to be performed or observed by it under this PDP Agreement or in any of the other Required Documents, and such failure shall continue uncured for thirty (30) days after the earlier of written notice thereof from PDP Lender to such Borrower Party or such Borrower Party's actual knowledge thereof (but such notice and cure period will not be applicable unless such breach is curable by practical means within such notice period) or (B) notify PDP Lender of any Default or Event of Default within ten (10) Business Days of its occurrence; or

(d) (i) any Borrower Party shall (A) generally fail to pay its, or his or her debts as they became due, admit its, or his or her inability to pay its, or his or her debts or obligations generally as they fall due, or shall file a voluntary petition in bankruptcy or a voluntary petition or an answer seeking reorganization in a proceeding under any bankruptcy laws or other insolvency laws, or an answer admitting the material allegations of such a petition filed against such Borrower Party in any such proceeding; or (B) by voluntary petition, answer or consent, seek relief under the provisions of any other bankruptcy or other insolvency or similar law providing for the reorganization or liquidation of corporations, or providing for an assignment for the benefit of creditors, or providing for an agreement, composition, extension or adjustment with its, or his or her creditors; or (ii) a petition against any Borrower Party in a proceeding under applicable bankruptcy laws or other insolvency laws, as now or hereafter in effect, shall be filed and shall not be withdrawn or dismissed within sixty (60) days thereafter, or if, under the provisions of any law providing for reorganization or liquidation of business entities that may apply to any Borrower Party, any court of competent jurisdiction shall assume jurisdiction, custody or control of such Borrower Party or of any substantial part of its property and such jurisdiction, custody or control shall remain in force unrelinquished, unstayed or unterminated for a period of sixty (60) days after the filing date; or

(e) (i) there is a material adverse change in (A) the business, operations, prospects or financial condition of any Borrower Party or (B) in any Borrower Party's ability to comply with the Required Documents since the date hereof; or (ii) the occurrence of any of the following events with respect to any Borrower Party: (A) it enters into any transaction of merger, consolidation or reorganization, other than a merger, consolidation or reorganization in which such Borrower Party is the surviving entity; (B) it ceases to do business as a going concern, liquidates, or dissolves, or sells, transfers or otherwise disposes of all or substantially all of its assets or properties (in one or more transactions); (C) it becomes the subject of, or engages in, a leveraged buy out; (D) it changes the form of organization of its business; (E) there is a substantial change in the ownership or control of PDP Borrower's Capital Stock or other equity interests such that the holder(s) that own or control on hundred percent (100%) of such equity interests as of the effective date of the PDP Agreement no longer do so; or (F) a Change of Control occurs; or

(f) (i) the conviction of or guilty plea by any Borrower Party with respect to any criminal act constituting a felony, (ii) any repudiation by any Borrower Party of its obligation for the payment or performance of the Obligations, or (iii) any allegation or judicial determination that any of the Required Documents is unenforceable in any material respect; or

(g) intentionally omitted; or

(h) the (i) failure by the PDP Borrower to make any of the PDP Borrower PDP's in the manner and within the time frame required by any of the Purchase Agreements, or (ii) the declaration by Vendor of an "Event of Default" as such term is defined in Section 3.3 of any of the Purchase Agreements.

Governmental Authority shall mean the government of the United States or any other nation, or of any political subdivision thereof, whether state or local, and any agency, governmental or administrative body, authority, instrumentality, department, bureau, agency, authority, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government (including any supra-national bodies such as the European Union or the European Central Bank).

Loan Documents shall mean the PDP Agreement, any PDP Note, the Collateral Assignments of Sales Agreement, any hypothecation or other collateral pledge or credit support, and any other documents, agreements, instruments, filings, certificates, opinions or assurances securing, evidencing or relating to the Obligations, or any reaffirmation of any of the foregoing whether entered into on or after the date of the PDP Agreement or any PDP Note. **Obligations** has the meaning set forth in Section 6 hereof.

Person shall mean any individual, partnership, corporation, limited liability company, trust, association, joint venture, joint stock company, or non-incorporated organization or Governmental Authority, or any other entity of any kind whatsoever.

Purchase Agreement No. 1 shall mean that certain Sales Agreement dated March 29, 2022 between PDP Borrower and Vendor for the purchase of a Gulfstream G280 aircraft described therein with a scheduled delivery date in the first (1st) quarter of 2024, as amended pursuant to that certain Amendment dated effective June 14, 2022 between PDP Borrower and Vendor, in each case together with all attachments, appendices, exhibits, purchase orders, amendments, related documents, warranties and agreements with Vendor related thereto.

Purchase Agreement No. 2 shall mean that certain Sales Agreement dated April 15, 2022 between PDP Borrower and Vendor for the purchase of a Gulfstream G280 aircraft described therein with a scheduled delivery date in the second (2nd) quarter of 2024, together with all attachments, appendices, exhibits, purchase orders, amendments, related documents, warranties and agreements with Vendor related thereto.

Purchase Agreement No. 3 shall mean that certain Sales Agreement dated April 15, 2022 between PDP Borrower and Vendor for the purchase of a Gulfstream G280 aircraft described therein with a scheduled delivery date in the third (3rd) quarter of 2024, together with all attachments, appendices, exhibits, purchase orders, amendments, related documents, warranties and agreements with Vendor related thereto.

Purchase Agreement No. 4 shall mean that certain Sales Agreement dated April 15, 2022 between PDP Borrower and Vendor for the purchase of a Gulfstream G280 aircraft described therein with a scheduled delivery date in the fourth (4th) quarter of 2024, together with all attachments, appendices, exhibits, purchase orders, amendments, related documents, warranties and agreements with Vendor related thereto.

Purchase Agreements shall mean, collectively, Purchase Agreement No. 1, Purchase Agreement No. 2, Purchase Agreement No. 3 and Purchase Agreement No. 4.

Vendor shall mean Gulfstream Aerospace, L.P., a Texas limited partnership.

Voting Stock shall mean the Capital Stock of any Person that is entitled to vote in the election of the board of directors (or its equivalent) of such Person.

ANNEX B

Jurisdiction of Formation of PDP Borrower:	Georgia
Form of business organization of PDP Borrower:	Corporation
Chief executive office and principal place of business address of PDP Borrower:	1954 Airport Road, Suite 124, Chamblee, GA 30341

EXHIBIT A TO PRE-DELIVERY PAYMENT AGREEMENT

[INSERT COPY OF PURCHASE AGREEMENTS]

EXHIBIT B TO PRE-DELIVERY PAYMENT AGREEMENT

FORM OF PRE-DELIVERY PAYMENT PROMISSORY NOTE

PRE-DELIVERY PAYMENT PROMISSORY NOTE

Date: _____

US$_____

For value received, the undersigned (jointly and severally if more than one) (the "**PDP Borrower**") promises to pay to the order of SAC LEASING V280, LLC, a Delaware limited liability company ("**PDP Lender**"), having its principal place of business at 8100 Roswell Road, Suite 100, Atlanta, Georgia 30350 (together with any other holder of this Pre-Delivery Payment Promissory Note, hereinafter referred to as the "**Holder**"), the principal sum of [_____] and No/100 Dollars (US$ _____) or so much thereof as shall be advanced by Holder pursuant to the PDP Agreement identified below and shall be from time to time outstanding hereunder (the "**Principal Amount**"), together with interest thereon as provided herein. This Pre-Delivery Payment Promissory Note is one of the "**PDP Notes**," and the obligations of PDP Borrower hereunder are "**Obligations**" secured by the "**Collateral**," as each of such terms are defined in the Pre-Delivery Payment Agreement dated effective October 5, 2022 (the "**PDP Agreement**") between PDP Lender, as lender, and PDP Borrower, as borrower. All capitalized terms used but not otherwise defined in this PDP Note are defined in the PDP Agreement.

PDP Borrower shall pay to Holder the entire unpaid Principal Amount, plus all accrued but unpaid interest thereon and any and all other amounts due hereunder on the earlier to occur of (i) the date that is ten (10) calendar days prior to the date that Vendor tenders delivery of Aircraft No. [___] to PDP Borrower pursuant to the terms of Purchase Agreement No. [___], and (ii) August [___], 2025 unless otherwise due and payable in full (by reason of acceleration or otherwise) pursuant to the terms of this PDP Note or the PDP Agreement (in any such case, the "**Maturity Date**"). Interest shall accrue on the unpaid Principal Amount of this PDP Note as provided below and shall be due and payable monthly, in arrears, on the first day of each month (the "**Payment Dates**") until the Principal Amount of this PDP Note is paid in full. The final payment due and payable on the Maturity Date shall in any event be equal to the entire outstanding and unpaid Principal Amount of this PDP Note, together with all accrued and unpaid interest, charges and other amounts owing hereunder and under the PDP Agreement. Except as otherwise set forth herein or in the PDP Agreement, interest shall accrue on the outstanding Principal Amount of this PDP Note at the fixed rate of twelve and one-half percent (12.5%) per annum for the period from the date of this PDP Note up to and including the Maturity Date (the "**Interest Rate**").

All interest hereunder shall be calculated on the basis of a 360 day year for the actual number of days elapsed during the calendar month and billed through the end of each month.

The entire unpaid principal balance of this PDP Note may be prepaid in whole or in part upon thirty days prior written notice to Holder, provided that any such prepayment shall be made together with the Prepayment Premium (as such term is defined in the PDP Agreement), all accrued interest and other amounts and charges owing hereunder or under the PDP Agreement, the Loan Agreement or under any documents, agreements or instruments related hereto or thereto, as the case may be.

Time is of the essence in the payment and performance of those Obligations which are evidenced by this PDP Note. In the event any amount due hereunder is not paid on the due date thereof, PDP Borrower shall pay overdue interest on any delinquent payment or other Obligation due (by reason of acceleration or otherwise) from the due date thereof through the date of payment thereof at a rate of interest equal to the lesser of (a) twenty percent (20%) per annum, or (b) the maximum rate of interest allowable under then applicable law.

Each payment hereunder shall be made in lawful money of the United States and shall be payable to such account or address as the Holder hereof shall from time to time direct PDP Borrower. Whenever any payment to be made under this PDP Note shall be stated to be due on a Saturday, Sunday or a public holiday, or the equivalent for banks generally under the laws of the State of New York, such payment shall be made on the next succeeding Business Day, and such extension of time shall be included in the computation of the payment of interest. All amounts received hereunder or in respect of this PDP Note shall be applied first, to accrued late charges and any other costs or expenses due and owing hereunder or under the terms of the PDP Agreement or with respect to any Obligations; second, to accrued interest; and third, to unpaid principal. It is the intention of Holder to comply with all applicable usury laws. Accordingly, it is agreed that notwithstanding anything to the contrary contained herein, in no event shall any provision contained herein require or permit interest in excess of the maximum amount permitted by Applicable Law to be paid by PDP Borrower. If necessary to give effect to these provisions, Holder will, at its option, in accordance with Applicable Law, either refund any amount to PDP Borrower to the extent that it was in excess of that allowed by applicable law or credit such excess amount against the then unpaid principal balance hereunder.

Failure to pay this PDP Note or any installment of interest hereunder on demand or otherwise promptly when due, or default or failure in the performance or due observance of any of the terms, conditions or obligations hereunder or under the PDP Agreement or in any other agreement or instrument between PDP Borrower (or any endorser, guarantor, surety or other party liable for PDP Borrower's obligations hereunder, or any other entity controlling, controlled by, or under common control with PDP Borrower) and Holder, shall entitle Holder to accelerate the maturity of this PDP Note and to declare the entire unpaid principal balance and all accrued interest and other charges hereunder (including prepayment fees calculated as of the date of default) and under the PDP Agreement to be immediately due and payable, and to proceed at once to exercise each and every one of the remedies provided in the PDP Agreement, the other Loan Documents or otherwise available at law or in equity.

PDP Borrower and all other parties who may be liable (whether as endorsers, guarantors, sureties or otherwise) for payment of any sum or sums due or to become due under the terms of this PDP Note waive diligence, presentment, demand, protest, notice of dishonor and notice of any other kind whatsoever and agree to pay all costs incurred by Holder in enforcing its rights under this PDP Note or the PDP Agreement, including reasonable attorneys' fees (including attorneys' fees incurred in any appellate proceedings), and they do hereby consent to any number of renewals or extensions at any time in the payment of this PDP Note. No extension of time for payment of this PDP Note made by any agreement with any person now or hereafter liable for payment of this PDP Note shall operate to release, discharge, modify, change or affect the original liability of PDP Borrower under this PDP Note, either in whole or in part. No delay or failure by Holder hereof in exercising any right, power, privilege or remedy shall be deemed to be a waiver of the same or any part thereof; nor shall any single or partial exercise thereof or any failure to exercise the same in any instance preclude any future exercise thereof, or exercise of any other right, power, privilege or remedy, and the rights and remedies provided for hereunder are cumulative and not exclusive of any other right or remedy available at law or in equity. The Holder of this PDP Note may proceed against all or any of the Collateral securing this PDP Note or against any guarantor hereof, or may proceed contemporaneously or in the first instance against PDP Borrower, in such order and at such times following default hereunder as Holder may determine in its sole discretion. All of PDP Borrower's obligations under this PDP Note are absolute and unconditional, and shall not be subject to any offset or deduction whatsoever. PDP Borrower waives any right to assert, by way of counterclaim or affirmative defense in any action to enforce PDP Borrower's obligations hereunder, any claim whatsoever against the Holder of this PDP Note. This PDP Note shall be binding upon PDP Borrower and its respective heirs, executors, administrators, representatives, successors, transferees and assigns and the benefits hereof shall extend to and include Holder and its successors, representatives, transferees and assigns.

ANY WAIVER OF ANY OF HOLDER'S RIGHTS OR REMEDIES SHALL BE EFFECTIVE ONLY IF SUCH WAIVER IS IN WRITING SIGNED BY HOLDER AND ONLY IN THE SPECIFIC INSTANCE AND FOR THE SPECIFIC PURPOSE FOR WHICH IT IS GIVEN. NO FAILURE TO EXERCISE, OR DELAY IN EXERCISING, ANY RIGHT HEREUNDER SHALL OPERATE AS A WAIVER THEREOF; NOR SHALL ANY FAILURE TO EXERCISE, OR PARTIAL EXERCISE OR, ANY RIGHT HEREUNDER PRECLUDE ANY OTHER OR FURTHER EXERCISE THEREOF OR THE EXERCISE OF ANY OTHER RIGHT. THIS PDP NOTE AND THE LEGAL RELATIONS OF PDP BORROWER AND HOLDER SHALL IN ALL RESPECTS BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK, WITHOUT REGARD TO PRINCIPLES REGARDING THE CHOICE OF LAW (OTHER THAN THE PROVISIONS OF SECTIONS 5-1401 AND 5-1402 OF THE GENERAL OBLIGATIONS LAW OF THE STATE OF NEW YORK) . PDP BORROWER HEREBY CONSENTS AND SUBMITS TO THE JURISDICTION OF THE COURTS OF THE STATE OF NEW YORK AND THE FEDERAL DISTRICT COURT FOR THE SOUTHERN DISTRICT OF NEW YORK FOR THE PURPOSES OF ANY SUIT, ACTION OR OTHER PROCEEDING ARISING OUT OF ITS OBLIGATIONS HEREUNDER, AND EXPRESSLY WAIVES ANY OBJECTIONS THAT IT MAY HAVE TO THE VENUE OF SUCH COURTS. PDP BORROWER HEREBY EXPRESSLY WAIVES ANY RIGHT TO TRIAL BY JURY IN ANY ACTION BROUGHT ON OR WITH RESPECT TO THIS PDP NOTE.

{The remainder of this page has been intentionally left blank. Signature page follows.}

IN WITNESS WHEREOF, PDP Borrower has caused this PDP Note to be executed by its duly authorized representative as of the date first above written.

PDP BORROWER:

VOLATO, INC.

By: _____

Name: _____
Title: _____

EXHIBIT C TO PRE-DELIVERY PAYMENT AGREEMENT

FORM OF REQUEST FOR ADVANCE

TO: SAC LEASING V280, LLC

Reference is hereby made to that certain Pre-Delivery Payment Agreement dated as of October 5, 2022 (as it may be amended from time to time, the "**PDP Agreement**"), between Volato, Inc., a Georgia corporation ("**PDP Borrower**") and SAC Leasing V280, LLC, a Delaware limited liability company ("**PDP Lender**"). Capitalized terms not otherwise defined herein are used herein as defined in the PDP Agreement.

1. The PDP Borrower hereby requests the making of a Pre-Delivery Payment in the amount of $_____on _____, 202_ (the "**Requested PDP Date**").

2. In connection with such requested Pre-Delivery Payment, the PDP Borrower hereby represents and warrants to you as follows:

(a) The Pre-Delivery Payment shall be used solely to pay the costs and expenses described on the invoice or invoices from Vendor attached hereto, which amounts have been incurred in connection with the sale, purchase and/or completion of Aircraft No. [___] and which is currently due and payable or as of the Requested PDP Date will be due and payable;

(b) On and as of the Requested PDP Date the representations and warranties of the PDP Borrower contained in the PDP Agreement and in each of any other applicable documents, agreements and/or instruments executed and/or delivered in connection with the PDP Agreement are true and correct as though made on and as of such date (except to the extent such representations or warranties relate solely to an earlier date, in which case such representations and warranties were true and correct on and as of such earlier date);

(c) On and as of the Requested PDP Date, no Default or Event of Default under or in connection with the PDP Agreement has occurred and is continuing, no Default or Event of Default under or in connection with the PDP Agreement will have occurred after giving effect to the making of the Pre-Delivery Payment requested hereby, and no Event of Default (as such term is defined in Purchase Agreement No. [___]) has occurred and is continuing; and

(d) All of the applicable conditions precedent to the Pre-Delivery Payment under or in connection with the PDP Agreement have been satisfied.

(e) Please wire transfer the proceeds of the Pre-Delivery Payment to the Vendor pursuant to the wire transfer instructions set forth on the attached invoice from Vendor.

{Signature Page to Follow}

The PDP Borrower has caused this Request for Advance to be executed and delivered by its duly authorized representative this _____day of _____, 202__.

PDP BORROWER:

VOLATO, INC.

By: _____
Name: _____
Title: _____

EXHIBIT D TO PRE-DELIVERY PAYMENT AGREEMENT

FORM OF LETTER OF CREDIT

JPMORGAN CHASE BANK, N.A.
GLOBAL TRADE OPERATIONS
10420 HIGHLAND MANOR DRIVE, FLOOR 04
TAMPA, FL 33610-9128
SWIFT: CHASUS33

DATE: _____

IRREVOCABLE STANDBY LETTER OF CREDIT REFERENCE NO.: ----------

TO: SAC Leasing V280, LLC
C/O Shearwater Aero Capital LLP
8100 Roswell Road, Suite 101
Atlanta, Georgia 30350
ATTN: Christopher Miller

SIR/MADAM,

WE HEREBY ISSUE OUR IRREVOCABLE STANDBY LETTER OF CREDIT IN YOUR FAVOR.

BENEFICIARY	: SAC Leasing V280, LLC C/O Shearwater Aero Capital LLP 8100 Roswell Road, Suite 101 Atlanta, Georgia 30350 ATTN: Christopher Miller
ACCOUNT PARTY	: Volato Incorporated 1954 Airport Road, Suite 124 Chamblee, GA 30341
DATE OF EXPIRY	: 12/31/2025
PLACE OF EXPIRY	: AT OUR COUNTERS
AMOUNT	: [USD 250,000.00/1,750,000.00]
APPLICABLE RULE	: ISP LATEST VERSION

THE AVAILABLE AMOUNT OF THE CREDIT SHALL BE REDUCED BY THE AMOUNT(S) SET FORTH IN ANY CERTIFICATE PRESENTED TO US SIGNED BY AN OFFICER OF BENEFICIARY READING, WITH BLANK SPACES APPROPRIATELY COMPLETED, AS FOLLOWS:

"CREDIT REDUCTION CERTIFICATE. THE UNDERSIGNED IS THE _____ [OFFICER TITLE] OF THE BENEFICIARY, SAC LEASING V280, LLC. THE BENEFICIARY HEREBY AUTHORIZES JPMORGAN CHASE BANK, N.A. (THE 'ISSUER') TO REDUCE THE REMAINING AVAILABLE AMOUNT OF IRREVOCABLE STANDBY LETTER OF CREDIT NO. _____BY THE AMOUNT OF USD _____.

SIGNED BY _____,
DATE _____".

THE AMOUNT OF THIS CREDIT IS AVAILABLE YOUR BY DRAFT(S) AT SIGHT DRAWN ON JPMORGAN CHASE BANK, N.A. (THE 'ISSUER'). ANY DRAFT UNDER THIS CREDIT SHALL BE IN THE AMOUNT DRAWN AND SHALL BE MARKED 'DRAWN UNDER JPMORGAN CHASE BANK, N.A. LETTER OF CREDIT NO. ----------, AND BE ACCOMPANIED BY THE BENEFICIARY'S SIGNED AND DATED STATEMENT WITH BLANK SPACES COMPLETED AS APPROPRIATE, STATING:

"SAC Leasing V280, LLC ('BENEFICIARY') HEREBY DRAWS THE AMOUNT OF USD_____, WHICH AMOUNT DOES NOT EXCEED THE REMAINING AMOUNT AVAILABLE UNDER LETTER OF CREDIT NO. _____."

and one of the following:

(A) "BENEFICIARY IS ENTITLED TO DRAW THE FOREGOING AMOUNT DUE TO A DEFAULT BY THE ACCOUNT PARTY, VOLATO INCORPORATED, UNDER THE PRE-DELIVERY PAYMENT AGREEMENT BETWEEN ACCOUNT PARTY AND BENEFICIARY DATED _____, 2022."

Or

(B) "UNDER THE PRE-DELIVERY PAYMENT AGREEMENT BETWEEN ACCOUNT PARTY, VOLATO INCORPORATED, AND BENEFICIARY DATED _____, 2022, ACCOUNT PARTY IS REQUIRED TO MAINTAIN THIS CREDIT IN PLACE UNTIL _____), AND THIS CREDIT WILL EXPIRE WITHIN 30 DAYS OF THE DATE OF THIS DRAWING AND ACCOUNT PARTY HAS NOT CAUSED THE CREDIT TO BE EXTENDED OR REPLACED, AND BENEFICIARY IS ENTITLED UNDER THE PRE-DELIVERY PAYMENT AGREEMENT TO DRAW THE REMAINING AVAILABLE AMOUNT OF THIS CREDIT."

Or

(C) "ACCOUNT PARTY, VOLATO INCORPORATED, HAS BECOME BANKRUPT, AND/OR A PAYMENT PREVIOUSLY MADE BY ACCOUNT PARTY TO BENEFICIARY HAS OR MAY BECOME SUBJECT TO A BANKRUPTCY PREFERENCE CLAIM, AND UNDER THE PRE-DELIVERY PAYMENT AGREEMENT BETWEEN ACCOUNT PARTY AND BENEFICIARY DATED _____, 2022, BENEFICIARY IS ENTITLED TO DRAW THE FOREGOING AMOUNT"

WE ENGAGE WITH YOU THAT DOCUMENTS DRAWN AND PRESENTED UNDER AND IN COMPLIANCE WITH THE TERMS OF THIS LETTER OF CREDIT SHALL BE DULY HONORED IF PRESENTED AT OUR COUNTERS AT 10420 HIGHLAND MANOR DRIVE, 4TH FLOOR, TAMPA, FLORIDA 33610 ATTN: STANDBY LETTER OF CREDIT UNIT ON OR BEFORE THE EXPIRATION DATE. ALL PAYMENTS DUE HEREUNDER SHALL BE MADE BY WIRE TRANSFER TO THE BENEFICIARY'S ACCOUNT PER THEIR INSTRUCTIONS. ALL DOCUMENTS PRESENTED MUST BE IN ENGLISH

IF A DEMAND FOR PAYMENT IS MADE BY YOU HEREUNDER AT OR PRIOR TO 10:00 A.M., TAMPA TIME, ON ANY BUSINESS DAY, AND PROVIDED THAT SUCH DEMAND FOR PAYMENT CONFORMS TO THE TERMS AND CONDITIONS HEREOF, PAYMENT SHALL BE MADE BY US TO YOU IN IMMEDIATELY AVAILABLE FUNDS TO THE ACCOUNT DESIGNATED BELOW OR SUCH OTHER ACCOUNT OF BENEFICIARY AT A NATIONAL BANK IN THE UNITED STATES OF AMERICA THAT YOU MAY DESIGNATE IN THE DEMAND FOR PAYMENT BY THE THIRD BUSINESS DAY AFTER DEMAND IS RECEIVED. IF A DEMAND FOR PAYMENT IS MADE BY YOU HEREUNDER AFTER 10:00 A.M., TAMPA TIME, ON A BUSINESS DAY, AND PROVIDED THAT SUCH DEMAND FOR PAYMENT CONFORMS TO THE TERMS AND CONDITIONS HEREOF, SUCH PAYMENT SHALL BE MADE BY US TO YOU IN IMMEDIATELY AVAILABLE FUNDS TO THE ACCOUNT DESIGNATED BELOW OR SUCH OTHER ACCOUNT OF BENEFICIARY AT A NATIONAL BANK IN THE UNITED STATES OF AMERICA THAT YOU MAY DESIGNATE IN THE DEMAND FOR PAYMENT BY THE FOURTH BUSINESS DAY AFTER DEMAND IS RECEIVED. PAYMENT UNDER THIS LETTER OF CREDIT SHALL BE MADE BY WIRE TRANSFER TO YOUR ACCOUNT DESCRIBED BELOW OR YOUR SUCH OTHER ACCOUNT AS YOU MAY DESIGNATE IN WRITING.

Financial Institution:	JPMorgan Chase Bank, NA
Address	270 Park Ave., New York, NY 10017
Wire Transfer Routing Number:	021000021
SWIFT Code	CHASUS33
Account Name:	SAC Leasing V280, LLC
Account Number to Credit:	88559071
Reference:	Volato Incorporated Pre-Delivery Payment Agreement
Attention:	Christopher Miller

ALL BANK CHARGES AND COMMISSIONS INCURRED IN CONNECTION WITH THE ISSUANCE, ADMINISTRATION, ADVISEMENT, CONFIRMATION, NEGOTIATION OR ANY OTHER FEES ASSOCIATED WITH THIS LETTER OF CREDIT (INCLUDING ANY DRAWINGS HEREUNDER) SHALL BE FOR THE ACCOUNT OF THE ACCOUNT PARTY.

THIS LETTER OF CREDIT IS GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK, AND, EXCEPT AS OTHERWISE EXPRESSLY STATED HEREIN, TO THE INTERNATIONAL STANDBY PRACTICES, ICC PUBLICATION NO. 590 (THE "ISP98"), AND IN THE EVENT OF ANY CONFLICT ISP98 WILL CONTROL, WITHOUT REGARD TO PRINCIPLES OF CONFLICT OF LAWS. ANY DISPUTES ARISING FROM OR IN CONNECTION WITH THIS STANDBY LETTER OF CREDIT SHALL BE SUBJECT TO THE EXCLUSIVE JURISDICTION OF UNITED STATES DISTRICT COURT FOR THE SOUTHERN DISTRICT OF NEW YORK SITTING IN THE BOROUGH OF MANHATTAN.

ALL INQUIRIES REGARDING THIS TRANSACTION MAY BE DIRECTED TO OUR CLIENT SERVICE GROUP AT THE FOLLOWING TELEPHONE NUMBER OR EMAIL ADDRESS QUOTING OUR REFERENCE _____.
TELEPHONE NUMBER: 1-800-634-1969
EMAIL ADDRESS: _____

YOURS FAITHFULLY,
JPMORGAN CHASE BANK, N.A.,

_____
AUTHORIZED SIGNATURE
(NAME)
(TITLE)

****

WE hereby agree with the format/language of the above drafted Letter of Credit, and we request JPMorgan Chase Bank, N.A. to issue the Letter of Credit as above drafted.

VOLATO, INC.

By: _____

Name and Title: Keith Rabin, CFO_____ Date: _____

VOLATO GROUP, INC.

CODE OF BUSINESS CONDUCT AND ETHICS

(Adopted by the Board of Directors on December 1, 2023. Effective at the Merger Effective Time associated with the Company's business combination.)

A: PURPOSE

The Board of Directors (the "**Board**") of Volato Group, Inc. (together with its subsidiaries, the "**Company**") has adopted this Code of Business Conduct and Ethics (the "**Code**") to deter wrongdoing and to promote:

1. fair and accurate financial reporting;

2. compliance with applicable laws, rules, and regulations including, without limitation, full, fair, accurate, timely, and understandable disclosure in reports and documents the Company files with, or submits to, the U.S. Securities and Exchange Commission (the "**SEC**") and in the Company's other public communications;

3. the prompt internal reporting of violations of the Code as set forth in the Code;

4. honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest; and

5. a culture of honesty and accountability.

The Code applies to directors, officers, and employees (who, unless otherwise specified, will be referred to jointly as "**employees**") of the Company), as well as the Company's contractors, consultants, and agents.

The purpose of the Code is to serve as a guide, and the Company expects its employees to use good judgment and adhere to the high ethical standards to which the Company is committed.

For purposes of the Code, the Company's General Counsel serves as the Compliance Officer. The Compliance Officer may designate others, from time to time, to assist with the execution of the its duties under the Code.

Employees are expected to read the policies set forth in the Code, ensure they understand and comply with them, and report any suspected violations as described below in Section I, below (*Compliance and Reporting*). The Compliance Officer is responsible for applying these policies to specific situations in which questions arise, and the Compliance Officer has the authority to interpret these policies in particular situations. Questions about the Code or the appropriate course of conduct in a particular situation relevant to the Code should be directed to the Company's Human Resources Department or to the Compliance Officer, who may consult with the Company's outside legal counsel or the Company's Board, as appropriate.

Every employee should read the Code in conjunction with other Company policies that are applicable to employees.

B: HONEST AND ETHICAL CONDUCT

The Company's policy is to promote high standards of integrity by conducting its affairs honestly and ethically. Each employee must act with integrity and observe the highest ethical standards of business conduct in their dealings with the Company's customers, suppliers, partners, service providers, competitors, employees and anyone else with whom they have contact in the course of performing their job.

C: FINANCIAL REPORTS AND OTHER RECORDS – DISCLOSURE

The Company's periodic reports and other documents filed with the SEC, including all financial statements and other financial information, must comply with applicable federal securities laws and SEC rules. Employees are responsible for the accurate and complete reporting of financial information within their respective areas and for the timely notification to senior management of financial and non-financial information that may be material to the Company to ensure full, fair, accurate, timely, and understandable disclosure in reports and documents that the Company files with government agencies or releases to the general public.

Every employee involved in the Company's disclosure process should become familiar with the disclosure requirements applicable to the Company and the business and financial operations of the Company, and should not knowingly misrepresent facts, or cause others to misrepresent facts, about the Company to others, whether within or outside the Company, including to the Company's independent auditors, governmental regulators, and self-regulatory organizations.

Employees must maintain the Company's books, records, accounts, and financial statements in reasonable detail, and reflect the matters to which the details relate accurately, fairly, and completely. Furthermore, employees must ensure that the Company's books, records, accounts, and financial statements conform to applicable legal requirements and to the Company's system of internal controls. Employees must carefully and properly account for the Company's assets. An employee must not establish any undisclosed or unrecorded account or fund for any purpose. An employee must not make any false or misleading entry in the Company's books or records for any reason or disburse any corporate funds or other corporate property without adequate supporting documentation and authorization. An employee must not misclassify a transaction related to accounts, business units, or accounting periods. Every employee bears the responsibility for ensuring they are not party to a false or misleading accounting entry.

D: CONFLICTS OF INTEREST

Employees must act and behave in the Company's best interests and not based on personal interests, relationships, or benefits. Employees should avoid situations where personal activities and relationships conflict, or appear to conflict, with the interests of the Company. A conflict of interest can arise when an employee (or a member of their family) takes actions or has interests that may make it difficult to perform their work for the Company objectively and effectively. Conflicts of interest also arise when an employee (or a member of their family) receives improper personal benefits as a result of their position in the Company. Examples of conflicts of interest include, but are not limited to, initiating transactions with family members, having interests in other businesses, receiving gifts or gratuities, loans by the Company to, or guarantees by the Company of obligations of, employees or their family members, and the personal use of Company assets.

Evaluating whether a conflict of interest exists or might exist can be difficult and can involve a number of considerations; therefore, an employee should seek guidance from the Company's Compliance Officer or the Board, if the potential or actual conflict of interest involves a director or executive officer, when the employee has questions about a possible conflict of interest.

If an employee is aware of an actual or potential conflict of interest where their interests might conflict with the Company's interests, or the employee is concerned that a conflict might develop, then the employee must discuss the activity with the Company's Compliance Officer or the Board, if the potential or actual conflict of interest involves a director or executive officer, and obtain approval from the Compliance Officer or the Board, if the potential or actual conflict of interest involves a director or executive officer, before engaging in that activity or accepting something of value. Every employee should be familiar with and comply with the Company's Related Party Transactions Policy.

E: CORPORATE OPPORTUNITIES

Except as otherwise set forth in the Company's Certificate of Incorporation and/or the Company's Bylaws, every employee owes a duty to the Company to advance the Company's business interests when the opportunity to do so arises. Employees are prohibited from taking, or directing to a third party to take, a business opportunity that is made known or available through the use of Company property, information, or position, unless the Company has been offered the business opportunity and refused it. Employees are further prohibited from competing with the Company directly or indirectly during their employment with the Company and as otherwise provided in any written agreement with the Company.

Sometimes the distinction between personal benefit and Company benefit is difficult to draw, and sometimes there are both personal benefit and Company benefit in a certain activity. An employee should consult with the Compliance Officer whenever such an activity arises.

F: PROTECTION OF ASSETS, CONFIDENTIALITY, AND COMMUNICATIONS

Employees should endeavor to protect the Company's assets and ensure their efficient use. Suspected incidences of fraud or theft should be reported immediately to the Compliance Officer for timely and thorough investigation and response.

In carrying out the Company's business, an employee might learn confidential or proprietary information about the Company, its customers, suppliers, or business partners. Proprietary information includes intellectual property such as trade secrets, patents, trademarks, and copyrights, as well as business and marketing plans, engineering and manufacturing ideas, designs, databases, records, and any nonpublic financial data or reports. Unauthorized use or distribution of this information is prohibited and could also be illegal and result in civil or criminal penalties. Confidential or proprietary information of the Company, as well as other companies, includes non-public information that would be harmful to the relevant company or useful to competitors if the information was disclosed.

Employees must maintain the confidentiality of information about the Company and other companies that is entrusted to them by the Company, use such information only for permissible business purposes and in accordance with any restrictions imposed by the disclosing party, and limit dissemination of the confidential information, both inside and outside the Company, only to the individuals who need to know the information for business purposes and who are bound by similar obligations of confidentiality, unless disclosure is otherwise authorized or legally mandated.

The obligation to protect confidential information does not end when an employee leaves the Company. Questions about whether information is confidential should be directed to the Compliance Officer.

Any employee who is contacted by a member of the financial community, the news media, or any other outside organization or individual, must refer the contacting party to the Chief Executive Officer or the Chief Financial Officer. For example, any questions on overall business trends, business in different geographies, pricing, suppliers, new products or technologies, lawsuits or disputes, or any other aspects of the Company's business should be referred to the Chief Executive Officer or the Chief Financial Officer.

G: FAIR DEALING

The Company does not seek competitive advantage through illegal or unethical business practices. Every employee should endeavor to deal fairly with the Company's customers, service providers, suppliers, competitors, business partners, and fellow employees. No employee should take unfair advantage of anyone else through manipulation, concealment, abuse of privileged information, misrepresentation of material facts, or any other unfair dealing practice.

H: COMPLIANCE WITH LAWS, RULES, AND REGULATIONS[1]

Employees must respect and obey applicable laws, rules, and regulations where the Company operates when carrying out their responsibilities on behalf of the Company and refrain from illegal conduct when doing so.

Employees have the obligation to be knowledgeable about the specific laws, rules, and regulations that apply to their areas of responsibility. If a law, rule, or regulation conflicts with a policy in the Code, then the employee must comply with the law, rule, or regulation. Questions as to the applicability of a law, rule, or regulation should be directed to the Compliance Officer. The following are brief summaries of various topics about which employees should be aware:

1. Antitrust Laws. Antitrust laws (also known as anti-competition laws) are designed to encourage competitive markets and prohibit activities that would unreasonably restrain competition. In general, any action taken in combination with another company that unreasonably reduces competition violates antitrust law. Certain types of agreements with competitors, including, but not limited to, agreements on fixing or setting prices and output, are always illegal and can result in criminal penalties, such as prison for the individuals involved and large fines for the corporations involved. In addition, unilateral actions by a company with market power in the sale or purchase of a particular good or service can violate antitrust laws when those actions unfairly exclude competition. Because of the numerous anti-competition laws in various jurisdictions inside and outside the United States, at times it is possible that certain actions may simultaneously violate one jurisdiction's anti-competition laws while not violating another jurisdiction's anti-competition laws.

The Company is committed to complying with those laws that govern fair competition. Any activity by an employee that undermines this commitment is unacceptable. Because the antitrust laws governing this area are complex, whenever appropriate an employee should consult with the Compliance Officer before taking any action that might implicate these laws.

2. Health, Safety, and Environment Laws. The Company is committed to conducting its business activities and operations in a manner that promotes protection of the public and the environment to the fullest extent practicable. Every employee is responsible for complying with applicable laws, rules, and regulations governing health, safety, and the environment.

3. Fair Employment Practice Laws. The Company is committed to maintaining a work environment in which all individuals are treated with respect and dignity. Every employee has the right to work in a professional atmosphere that promotes equal employment opportunities and where discriminatory practices, including harassment, are prohibited.

[1] Note to Volato: Are there any specific aviation laws/regulations that should be added in this section?

The Company requires every employee to treat co-workers in a respectful manner and to forge working relationships that are uniformly free of bias, prejudice, and harassment. The Company prohibits discrimination against or harassment of any other employee on the basis of race, religion, or religious creed (including religious dress and grooming practices), color, ethnic or national origin, sex (including pregnancy, childbirth, breastfeeding, or related medical condition), nationality, national origin, ancestry, immigration status or citizenship, age, physical or mental disability, medical condition (including genetic information or characteristics, or those of a family member), military service or veteran status, marital status or family care status, sexual orientation, family medical leave, gender (including gender identity, gender expression, transgender status, or sexual stereotypes), political views or activity, status as a victim of domestic violence, sexual assault or stalking, or any other basis or classification protected by applicable federal, state, or local laws.

An employee who is found to have discriminated against another employee will be subject to formal disciplinary procedures, up to and including termination.

No employee will suffer reprisal or retaliation for making a complaint or reporting an incident of discrimination or perceived discrimination, or for participating in an investigation of an incident of discrimination or perceived discrimination.

4. Foreign Corrupt Practices and Anti-Bribery Laws. The Company strictly prohibits all forms of bribery and corruption, regardless of whether the prohibited activity involves a public official or a private person. Bribery and corruption are totally opposed to the Company's commitment to operate with the utmost integrity and transparency, and such practices are also prohibited under the laws of most countries around the world, including pursuant to laws such as the U.S. Foreign Corrupt Practices Act of 1977 and the United Kingdom Bribery Act of 2010. An employee should seek guidance from the Compliance Officer whenever they have a question about what might constitute bribery or corruption.

5. Insider Trading Laws. Under federal and state securities laws, it is illegal to trade in the securities of a company while in possession of material non-public information about that company. Because employees will often have knowledge of confidential information that is not disclosed outside the Company, and as such would constitute material non-public information, trading in the Company's securities or in the securities of another company with which the Company does business could constitute insider trading. It is every employee's responsibility to comply with the insider trading laws, including not sharing material non-public information with any individual who might use that information to trade in the Company's securities. Every employee should be familiar with and comply with the Company's Insider Trading Policy.

6. Anti-Money-Laundering Laws. The Company is committed to complying fully with all anti- money-laundering laws. Money laundering generally involves conducting a transaction for the purpose of concealing the illegal origins of funds or to facilitate illegal activity. The Company will only conduct business with reputable customers who are involved in legitimate business activities using funds derived from legitimate sources. Employees should avoid engaging in a transaction that is structured in a way that could be viewed as concealing illegal conduct or the tainted nature of the proceeds or assets being used in the transaction.

7. U.S. Economic Sanctions Compliance and Export Control Laws. The Company requires compliance with the laws that govern trade in the United States and in those countries in which the Company conducts its business. Many countries maintain controls on the export of hardware, software, and technology. Some of the strictest export controls are maintained by the U.S. Government against countries and certain identified individuals or entities that the U.S. Government considers unfriendly or as supporting international terrorism. These export controls include:

a. restrictions on the export and reexport of products, services, software, information, or technology that can occur via physical shipments, carrying by hand, electronic transmissions (for example, emails, distribution of source code and software), and verbal communications;

b. sanctions and embargoes that restrict activities, including exports, monetary payments, travel, and the provision of services to certain individuals (including individuals and entities included in, and owned or controlled by an individual or entity included in, the List of Specially Designated Nationals and Blocked Persons, the Sectoral Sanctions Identifications (SSI) List, or Foreign Sanctions Evaders List that is maintained by the Office of Foreign Assets Control of the U.S. Treasury Department or any other applicable list of sanctioned, embargoed, blocked, criminal, or debarred persons maintained by any U.S. or non-U.S. government, the European Union, Interpol, the United Nations, the World Bank, or any other public international organization relevant to Company business), companies, and countries;

c. international boycotts not sanctioned by the U.S. government that prohibit business activity with a country, its nationals, or targeted companies; and imports of products that are subject to the importing country's customs laws and regulations, which apply regardless of the mode of transportation, including courier shipments and carrying by hand.

Employees must comply with applicable trade control laws and must not cause the Company to be in violation of those laws. If an employee becomes aware of any information implying that the Company has engaged or might engage in the future in a transaction that might violate applicable economic sanctions, then the employee should report this information to the Compliance Officer immediately. In addition, the Compliance Officer should be consulted in relation to any proposed export of the Company's products.

I: COMPLIANCE AND REPORTING

8. Seeking Guidance. Employees are encouraged to seek guidance from their manager or supervisor, or the Human Resources Department, or the Compliance Officer, when in doubt about the best course of action to take in a particular situation that involves complying with the Code. In most instances, questions regarding complying with the Code should be brought to the attention of the Compliance Officer.

9. Reporting Violations. When an employee suspects or knows there has been a violation of the Code, or of an applicable law, rule, or regulation (including complaints or concerns about accounting matters, internal accounting controls, or auditing matters), then the employee should report this information immediately to the Compliance Officer. All reported information is kept confidential, to the extent possible, except where disclosure is required to investigate a report or mandated by law. The Company does not permit retaliation of any kind for the good faith report of a violation or possible violation of the Code.

10. Investigations. Reported violations of the Code are promptly and thoroughly investigated. As a general matter, the Board will oversee the investigation of a potential violation by a director or executive officer, and the Compliance Officer will oversee the investigation of a potential violation by other employees. It is imperative that the employee who reports the violation does not conduct an investigation on their own. Employees are expected to cooperate fully with an appropriately authorized investigation, whether internal or external, of a reported violation. Employees should never withhold, tamper with, or fail to communicate relevant information in connection with an appropriately authorized investigation. In addition, employees are expected to maintain and safeguard the confidentiality of an investigation to the extent possible, except as otherwise provided below or by applicable law. Making a false statement to or otherwise misleading internal or external auditors, investigators, legal counsel, Company representatives, regulators, or governmental entities can be grounds for termination of employment or other relationship with the Company and might also be a criminal act that could result in severe penalties.

11. Sanctions. An employee who violates the Code can be subject to formal disciplinary action, up to and including termination of employment. Moreover, an employee who directs or approves of conduct in violation of the Code, or who has knowledge of such conduct but does not immediately report it, can also be subject to formal disciplinary action, up to and including termination of employment. A director who violates the Code or directs or approves conduct in violation of the Code will be subject to appropriate action as determined by the Board. Furthermore, violations of some provisions of the Code are illegal and could subject an employee to civil and criminal liability.

12. Disclosure. Nothing in the Code limits or prohibits an employee from engaging for a lawful purpose in any "Protected Activity." "Protected Activity" means filing a charge or complaint, or otherwise communicating, cooperating, or participating, with any state, federal, or other governmental agency, including the SEC, the U.S. Equal Employment Opportunity Commission, and the National Labor Relations Board. Notwithstanding any other policies in the Code (or elsewhere), an employee is not required to obtain authorization from the Company prior to disclosing information to, or communicating with, such agencies, nor is an employee obligated to advise the Company as to any such disclosures or communications. Notwithstanding, in making such disclosures or communications, employees should take all reasonable precautions to prevent unauthorized use or disclosure of information that might constitute Company confidential information to any parties other than the relevant government agencies. Protected Activity does not include the disclosure of Company attorney- client privileged communications; such disclosure, without the Company's written consent, violates Company policy.

J: WAIVERS OF THE CODE

Amendment or waiver of any provision of the Code must be approved in writing by the Board or, if appropriate, the Board's authorized delegate, and promptly disclosed pursuant to applicable laws and regulations. Waiver or modification of the Code for an executive officer or any other person performing similar functions in the Company will be promptly disclosed to stockholders if and as required by applicable law or the rules of the stock exchange on which the securities of the Company are listed.

K: AMENDMENT

The Company reserves the right to amend the Code at any time, for any reason, subject to applicable laws, rules, and regulations.

L: E-ACKNOWLEDGMENT

New employees must e-sign an e-acknowledgment confirming they have read the Code and understand and agree to comply with the Code's provisions. E-acknowledgment forms will be maintained in an employee's personnel file. Failure to read the Code or to e-sign the e-acknowledgment form does not excuse any employee from complying with the Code.

Exhibit 16.1

December 7, 2023

Securities and Exchange Commission
100 F Street, N.E.
Washington, DC 20549

Commissioners:

We have read the statements made by Volato Group, Inc. (formerly known as "PROOF Acquisition Corp I") under Item 4.01 of its Form 8-K dated December 7, 2023. We agree with the statements concerning our Firm in such Form 8-K; we are not in a position to agree or disagree with other statements of Proof Acquisition Corp I contained therein.

Very truly yours,

Marcum llp

Exhibit 21.1

SUBSIDIARIES OF THE COMPANY

Subsidiary	State of Incorporation
Volato, Inc.	Georgia
Gulf Coast Aviation, Inc.*	Texas
G C Aviation, Inc. d/b/a Volato*	Texas

*Wholly-owned subsidiaries of Volato, Inc., which is a wholly-owned subsidiary of Volato Group, Inc.

Exhibit 99.1

INDEX TO THE CONSOLIDATED UNAUDITED CONDENSED FINANCIAL STATEMENTS

Unaudited Condensed Consolidated Financial Statements

VOLATO, INC.
CONSOLIDATED CONDENSED BALANCE SHEETS

	September 30, 2023 (Unaudited)	December 31, 2022 (Audited)
ASSETS		
Current assets:		
Cash	$ 7,911,549	$ 5,776,703
Accounts receivable, net	2,020,453	1,879,672
Deposits on aircraft	28,783,334	833,334
Prepaid expenses and other current assets	5,149,128	2,210,946
Total current assets	43,864,464	10,700,655
Fixed assets, net	1,006,726	348,562
Right-of-use asset	1,354,581	1,574,144
Equity-method investment	153,742	1,158,574
Deposits on aircraft	3,000,000	12,000,000
Other deposits	70,622	124,143
Restricted cash	2,242,564	2,101,980
Intangible – Customer list	206,033	251,525
Intangible Part 135 Certificates	1,200,000	1,363,000
Goodwill	634,965	634,965
Total assets	**$ 53,733,697**	**$ 30,257,548**
LIABILITIES, MEZZANINE EQUITY AND SHAREHOLDERS' DEFICIT		
Current liabilities		
Accounts payable and accrued liabilities	$ 10,639,386	$ 2,882,589
Loan from related party	1,000,000	5,150,000
Convertible notes, net	-	18,844,019
Operating lease liability, current	315,075	283,087
Accrued interest	60,000	780,606
Other loans	21,781	56,980
Customers' deposits	6,315,916	2,163,056
Total current liabilities	18,352,158	30,160,337
Deferred income tax liability	305,000	305,000
Operating lease liability, non-current	1,049,954	1,291,057
Long term notes payable	18,396,818	4,170,006
Total liabilities	**38,103,930**	**35,926,400**
COMMITMENTS AND CONTINGENCIES (Note 13)		
MEZZANINE EQUITY		
Preferred Seed Stock, par value $0.001, 3,981,236 shares authorized, 3,981,236 shares issued and outstanding as of September 30, 2023, and December 31, 2022 (*)	4,585,000	-
Preferred Series A-1, 6,000,000 shares authorized, 1,205,000 and 0 issued and outstanding as of September 30, 2023 and December 31, 2022, respectively	12,050,000	-
Preferred Series A-2, 3,327,624 shares authorized, 3,327,624 and 0 shares issued and outstanding as of September 30, 2023, and December 31, 2022, respectively	19,905,900	-
Preferred Series A-3, 2,050,628 shares authorized, 2,050,628 and 0 shares issued and outstanding as of September 30, 2023, and December 31, 2022, respectively	18,455,726	-
Total Mezzanine equity	54,996,626	-
SHAREHOLDERS' DEFICIT		
Preferred Seed Stock, par value $0.001, 3,981,236 shares authorized, 3,981,236 shares issued and outstanding as of September 30, 2023, and December 31, 2022 (*)	-	3,981
Common Stock, $0.001 par value, 26,249,929 shares authorized, 7,324,468 and 7,120,208 shares issued and outstanding as of September 30, 2023, and December 31, 2022, respectively (*)	7,324	7,120
Additional paid-in capital (*)	680,927	5,175,307
Stock subscriptions receivable	(15,000)	(15,000)
Accumulated deficit	(40,040,110)	(10,840,260)
Total shareholders' deficit	**(39,366,859)**	**(5,668,852)**
Total liabilities, mezzanine equity and shareholders' deficit	**$ 53,733,697**	**$ 30,257,548**

(*) The number of shares has been retroactively restated to reflect the one for 0.434159 reverse stock split, which was effective on July 21, 2023. The number of shares has been retroactively restated to reflect the two for one stock split, which was effective on January 6, 2023.

The accompanying notes are an integral part of these unaudited consolidated condensed financial statements.

VOLATO, INC.
UNAUDITED CONSOLIDATED CONDENSED STATEMENTS OF OPERATIONS

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
Revenue	$ 13,180,950	$ 14,075,955	$ 41,860,775	$ 60,791,225
Cost of revenue	17,392,738	15,407,413	52,687,408	59,779,367
Gross profit (deficit)	(4,211,788)	(1,331,458)	(10,826,633)	1,011,858
Operating expenses				
Salaries and benefits	3,221,384	1,790,892	8,831,948	3,845,741
Advertising	805,784	93,959	1,383,118	229,788
Professional fees	555,117	355,171	1,435,605	862,189
Stock-based compensation	39,981	3,640	63,376	10,282
Depreciation and amortization	105,862	30,087	207,890	121,195
General and administrative	2,092,845	1,111,929	5,474,167	2,524,307
Loss from operations	(11,032,761)	(4,717,136)	(28,222,737)	(6,581,644)
Other income (expense)				
Gain from sale of Part 135 Certificate	-	-	387,000	-
Income (loss) from equity-method investments	-	(3,019)	21,982	(37,301)
Gain from sale of equity-method investment	-	-	883,165	-
Gain from deconsolidation of investments	-	-	-	580,802
Other income	12,181	75,751	157,756	105,399
Interest income on restricted cash	20,202	-	34,173	-
Interest expense, net	(825,118)	(206,338)	(2,461,189)	(453,002)
Other income (expense)	(792,735)	(133,606)	(977,113)	195,898
Loss before provision for income taxes	(11,825,496)	(4,850,742)	(29,199,850)	(6,385,746)
Provision for income taxes (benefits)	-	-	-	(80,000)
Net Loss before non-controlling interest	(11,825,496)	(4,850,742)	(29,199,850)	(6,305,746)
Net Loss attributable to non-controlling interest	-	-	-	(32,600)
Net Loss attributable to Volato Inc.	$ (11,825,496)	$ (4,850,742)	$ (29,199,850)	$ (6,273,146)
Basic and Diluted Loss per share (*)	$ (1.62)	$ (0.68)	$ (4.04)	$ (0.88)
Weighted average common share outstanding:				
Basic and Diluted (*)	7,317,382	7,120,208	7,234,827	7,120,208

(*) The number of shares and per share amounts have been retroactively restated to reflect the one for 0.434159 reverse stock split, which was effective on July 21, 2023. The number of shares has been retroactively restated to reflect the two for one stock split, which was effective on January 6, 2023

The accompanying notes are an integral part of these unaudited consolidated condensed financial statements.

VOLATO, INC.
UNAUDITED CONSOLIDATED CONDENSED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (DEFICIT)

For the Three and Nine Months Ended September 30, 2023

	Series Seed Convertible Preferred Stock (*)		Common Stock (*)		Additional Paid-in Capital (*)	Subscription Receivable	Retained Deficit	Total Shareholders' Deficit
	Shares	Amount	Shares	Amount				
Balance December 31, 2022	3,981,236	$ 3,981	7,120,208	$ 7,120	$ 5,175,307	$ (15,000)	$ (10,840,260)	$ (5,668,852)
Stock-based compensation	-	-	-	-	8,135	-	-	8,135
Net loss	-	-	-	-	-	-	(7,514,781)	(7,514,781)
Balance March 31, 2023	3,981,236	$ 3,981	7,120,208	$ 7,120	$ 5,183,442	$ (15,000)	$ (18,355,041)	$ (13,175,498)

	Series Seed Convertible Preferred Stock (*)		Common Stock (*)		Additional Paid-in Capital (*)	Subscription Receivable	Retained Deficit	Total Shareholders' Deficit
	Shares	Amount	Shares	Amount				
Balance March 31, 2023	3,981,236	$ 3,981	7,120,208	$ 7,120	$ 5,183,442	$ (15,000)	$ (18,355,041)	$ (13,175,498)
Stock-based compensation	-	-	-	-	15,260	-	-	15,260
Common stock issued from options exercise	-	-	193,163	193	21,865	-	-	22,058
Net loss	-	-	-	-	-	-	(9,859,573)	(9,859,573)
Balance June 30, 2023	3,981,236	$ 3,981	7,313,371	$ 7,313	$ 5,220,567	$ (15,000)	$ (28,214,614)	$ (22,997,753)

	Series Seed Convertible Preferred Stock (*)		Common Stock (*)		Additional Paid-in Capital (*)	Subscription Receivable	Retained Deficit	Total Shareholders' Deficit
	Shares	Amount	Shares	Amount				
Balance June 30, 2023	3,981,236	$ 3,981	7,313,371	$ 7,313	$ 5,220,567	$ (15,000)	$ (28,214,614)	$ (22,997,753)
Reclassification of Series Seed to Mezzanine equity	-	(3,981)	-	-	(4,581,019)	-	-	(4,585,000)
Stock-based compensation	-	-	-	-	39,980	-	-	39,980
Common stock issued from options exercise	-	-	11,097	11	1,399	-	-	1,410
Net loss	-	-	-	-	-	-	(11,825,496)	(11,825,496)
Balance September 30, 2023	3,981,236	$ -	7,324,468	$ 7,324	$ 680,927	$ (15,000)	$ (40,040,110)	$ (39,366,859)

For the Three and Nine Months Ended September 30, 2022

	Series Seed Convertible Preferred Stock (*)		Common Stock (*)		Additional Paid-in Capital (*)	Subscription Receivable	Retained Deficit	Non-controlling Interest	Total Shareholders' Equity
	Shares	Amount	Shares	Amount					
Balance December 31, 2021	3,981,236	$ 3,981	7,120,208	$ 7,120	$ 5,124,399	$ (50,000)	$ (1,473,328)	$ 4,297,767	$ 7,909,939
Cash collected from subscription receivable	-	-	-	-	-	20,000	-	-	20,000
Stock-based compensation	-	-	-	-	2,724	-	-	-	2,724
Change in ownership interest in former subsidiary	-	-	-	-	33,751	-	-	-	33,751
Deconsolidation of former subsidiaries							-	(4,265,167)	(4,265,167)
Net Income (loss)	-	-	-	-	-	-	324,827	(32,600)	292.227
Balance March 31, 2022	3,981,236	$ 3,981	7,120,208	$ 7,120	$ 5,160,874	$ (30,000)	$ (1,148,501)	$ -	$ 3,993,474

	Series Seed Convertible Preferred Stock (*)		Common Stock (*)		Additional Paid-in Capital (*)	Subscription Receivable	Retained Deficit	Non-controlling Interest	Total Shareholders' Equity
	Shares	Amount	Shares	Amount					
Balance March 31, 2022	3,981,236	$ 3,981	7,120,208	$ 7,120	$ 5,160,874	$ (30,000)	$ (1,148,501)	$ -	$ 3,993,474
Stock-based compensation	-	-	-	-	3,918	-	-	-	3,918
Net Loss	-	-	-	-	-	-	(1,747,231)	-	(1,747,231)
Balance June 30, 2022	3,981,236	$ 3,981	7,120,208	$ 7,120	$ 5,164,792	$ (30,000)	$ (2,895,732)	$ -	$ 2,250,161

	Series Seed Convertible Preferred Stock (*)		Common Stock (*)		Additional Paid-in Capital (*)	Subscription Receivable	Retained Deficit	Non-controlling Interest	Total Shareholders' Equity (deficit)
	Shares	Amount	Shares	Amount					
Balance June 30, 2022	3,981,236	$ 3,981	7,120,208	$ 7,120	$ 5,164,792	$ (30,000)	$ (2,895,732)	$ -	$ 2,250,161
Stock-based compensation	-	-	-	-	3,639	-	-	-	3,639
Net Loss	-	-	-	-	-	-	(4,850,742)	-	(4,850,742)
Balance September 30, 2022	3,981,236	$ 3,981	7,120,208	$ 7,120	$ 5,168,431	$ (30,000)	$ (7,746,474)	$ -	$ (2,596,942)

(*) The number of shares has been retroactively restated to reflect the one for 0.434159 reverse stock split, which was effective on July 21, 2023. The number of shares has been retroactively restated to reflect the two for one stock split, which was effective on January 6, 2023

The accompanying notes are an integral part of these unaudited consolidated condensed financial statements.

VOLATO, INC.
UNAUDITED CONSOLIDATED CONDENSED STATEMENTS OF CASH FLOWS

	For the Nine Months Ended September 30,	
	2023	2022
Operating activities:		
Net Loss	$ (29,199,850)	$ (6,273,146)
Adjustments to reconcile net loss to cash used in operating activities:		
Depreciation and amortization expense	207,890	121,195
Amortization right-of-use asset	219,563	-
Stock compensation expense	63,375	10,281
Gain from sale of equity-method investments	(883,165)	-
Grain from deconsolidation	-	(580,802)
Gain from sale of Part 135 certificate	(387,000)	-
Deferred income tax benefit	-	(80,000)
Loss (Gain) from equity-method investments	(21,982)	37,301
Amortization of debt discount	138,235	8,826
Changes in assets and liabilities:		
Accounts receivable, net	(140,781)	(601,415)
Prepaid and other current assets	(2,738,182)	(1,506,699)
Other deposits	53,521	(37,286)
Account payable and accrued liabilities	7,597,029	1,341,895
Lease liability operating lease	(209,115)	-
Accrued interest	978,083	438,868
Deposits on aircraft	(3,950,000)	(7,750,000)
Customers' deposits	4,152,860	4,151,235
Net cash used in operating activities	(24,119,519)	(10,719,747)
Investing activities:		
Cash payment for property, plant, and equipment	(820,561)	(227,701)
Payments for purchase of interest in equity-method investment	(2,327,759)	-
Proceeds from sale of interest in equity-method investment	4,235,000	6,575,000
Proceeds from the sale of Part 135 certificate	350,000	-
Payment from acquisition of GCA	-	(1,850,000)
Cash obtained from acquisition of GCA	-	678,963
Net cash provided by investing activities	1,436,680	5,176,262
Financing activities:		
Proceeds from lines of credit	1,000,000	4,950,000
Proceeds from exercise of stock options	23,468	-
Proceeds from issuance of convertible notes	12,670,000	9,362,000
Proceeds from sale of Series A	12,050,000	-
Proceeds from other loans	-	87,753
Repayment on loans	(785,199)	(27,893)
Collection on subscription receivable	-	20,000
Repayment of line of credit	-	(5,800,000)
Net cash provided by financing activities	24,958,269	8,591,860
Net increase in cash	2,275,430	3,048,375
Cash and restricted cash, beginning of year	7,878,683	1,608,184
Cash and restricted cash, end of period	$ 10,154,113	$ 4,656,559
Supplemental disclosure of cash flow information:		
Cash paid for interest	$ 1,305,190	$ 5,431
Cash paid for income taxes	$ -	$ -
Non-Cash Investing and Financing Activities:		
Credit facility for the aircraft deposit	$ 15,000,000	$ -
Conversion of line of credit to convertible note with related party	$ 6,001,407	$ -
Original debt discount from notes	$ 162,509	$ -
Conversion of convertible notes to series A preferred	$ 38,361,626	$ -
Payment from acquisition of GCA	$ -	$ 1,850,000
Cash obtained from acquisition of GCA	$ -	$ 678,963

The accompanying notes are an integral part of these audited consolidated condensed financial statements.

NOTE 1 – ORGANIZATION AND DESCRIPTION OF BUSINESS

Volato, Inc. (the "Company", or "Volato") was originally formed in the State of Georgia under the name of Aerago, Inc. on January 7, 2021 ("inception"). On August 31, 2021, the Company filed an amendment to its Articles of Incorporation to change its name from "Aerago, Inc." to "Volato, Inc.".

The Company operates an aircraft ownership program, provides ad-hoc charter flights, sells deposit products, and manages aircraft for owners in the private aviation industry. The Volato aircraft ownership program consists of facilitating the formation of limited liability companies owned by third-party members. Subsequently, the Company sells an aircraft to each limited liability company. These companies are referred to as "Plane Co LLC" or "Plane Co".

The Company launched an aircraft ownership program using HondaJets in 2021 and is expanding its fleet of Honda aircraft. The Company has expanded its base locations and now has six locations, consisting of Atlanta, Baltimore/Washington, Ft. Lauderdale, Houston, San Diego, and St. Augustine as of September 30, 2023. The Company currently operates nationwide and internationally. The Company operates HondaJet aircraft, of which ten (10) are owned by limited liability companies managed by PDK Management LLC, an entity whose sole member is the Company's Chief Executive Officer, through an operating agreement. Volato has a minority interest in one of these Plane Cos as of September 30, 2023 (3.13%), and retained a de minimis ownership interest in seven (7) others.

The Company believes the HondaJet is one of the most spacious and cost-efficient light jets on the market with ample baggage and interior room, including an enclosed lavatory. The wing mounted engines allow for a tranquil, spacious interior.

The Company is planning to expand its fleet offering as it executed a series of purchase agreements for the acquisition of four (4) Gulfstream G280 ("G280") aircraft. The G280 aircraft complement the Company's fast-growing fleet of HondaJet Elite aircraft, which will serve a wider share of the private jet market. The Company is scheduled to take delivery of its first G280 aircraft in early 2024.

On May 5, 2023, the Company entered into a HondaJet Fleet Purchase Agreement with Honda Aircraft Company, LLC, for the purchase and delivery of twenty-three (23) HondaJet HA-420 Aircraft for a total estimated purchase price of $161.1 million with expected delivery between the fourth quarter of 2023 and the fourth quarter of 2025.

On July 21, 2023, the Company consummated a qualified financing with the Series A Preferred Stock offering described in note 11, pursuant to which the convertible notes converted into Series A-2 Preferred Stock at a conversion price of $5.982 per share and into Series A-3 Preferred Stock at a conversion price of $9.00 per share.

Business Combination

On August 1, 2023, PROOF Acquisition Corp I, a Delaware corporation (prior to the Effective Time, "PACI" and, at and after the Effective Time, "Volato Group") entered into a definitive business combination agreement (the "Business Combination Agreement") with PACI Merger Sub, Inc., a Delaware corporation and a direct, wholly owned subsidiary of PACI ("Merger Sub"), and Volato, Inc., ("Volato"). Pursuant to the terms of the Business Combination Agreement, a business combination between PACI and Volato will be effected through the merger of Merger Sub with and into Volato, with Volato surviving the merger as a wholly-owned subsidiary of Volato Group. The effectiveness of the business combination agreement is still subject to various votes and approval.

Business Acquisition

On March 11, 2022, the Company executed a stock purchase agreement pursuant to which the Company acquired all of the issued and outstanding equity shares of Gulf Coast Aviation, Inc. ("GCA") for a total cash consideration of $1,850,000.

GCA, through its wholly owned subsidiary GC Aviation, Inc., holds an air carrier operation certificate issued by the Federal Aviation Administration ("FAA") under 14 C.F.R parts 119 and 135 of the Federal Aviation Regulations ("FAR"). GCA provides ad-hoc charter flights and manages aircraft for owners in the private aviation industry. GCA has been based at Atlantic Aviation Houston Hobby Airport since 2003 and operates FAA air carrier certificate #GZXA746L with worldwide operating authority.

Stock Split

Effective November 15, 2022, the Company approved its second amended and restated articles of incorporation to effect a two-for-one stock split (2:1) of the Company's issued and outstanding shares of Series Seed preferred stock and common stock.

Reverse stock split

Effective July 21, 2023, the Company approved its third amended and restated articles of incorporation to effect a one-for-0.434159 reverse stock split (0.434159:1) of the Company's issued and outstanding shares of Series Seed preferred stock and common stock.

All share and per share related numbers in these unaudited consolidated interim financial statements give effect to the stock split, which was effective on January 6, 2023, and the reverse stock split, which was effective on July 21, 2023, before issuance of the unaudited consolidated interim financial statements.

On March 3, 2023, the Company transferred its Fly Dreams LLC operations to GCA and sold all of its membership interest in Fly Dreams LLC, including Fly Dreams FAA part 135 Certificate. The Company now conducts its operations under GCA FAA Part 135 Certificate.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying unaudited interim condensed consolidated financial statements have been presented in accordance with accounting principles generally accepted in the United States of America ("GAAP") for interim financial information. Accordingly, the financial statements do not include all of the information and notes required by GAAP for complete financial statements. The accompanying consolidated balance sheet as of September 30, 2023, the consolidated statements of operations for the three and nine months ended September 30, 2023 and 2022, the consolidated statements of cash flows for the nine months ended September 30, 2023 and 2022, and the consolidated statements of shareholders' (equity) deficit for the three and nine months ended September 30, 2023 and 2022 are unaudited; however, in the opinion of management such interim consolidated financial statements reflect all adjustments, consisting solely of normal recurring adjustments, necessary for a fair presentation of the results for the periods presented.

Going concern, liquidity, and capital resources

The Company has only recently been formed, has limited operating history, has recorded a net loss of approximately $29.2 million for the nine months ended September 30, 2023, and has an accumulated deficit of approximately $40.0 million as of September 30, 2023. Net cash used in operating activities for the nine months ended September 30, 2023, was approximately $24.1 million.

These above matters raise substantial doubt about the Company's ability to continue as a going concern. During the next twelve months, the Company intends to fund its operations through the issuance of debt, issuance of equity securities, sale of fractional shares of its aircraft at a premium to cost or a merger with a blank check company.

The Company also has the ability to reduce its cash burn to preserve capital. Accordingly, management believes that its current cash position, along with its anticipated revenue growth and proceeds from future debt and/or equity financings and or combination transaction, when combined with greater fleet utilization and prudent expense management, will allow the Company to continue as a going concern and to fund its operations for at least one year from the date these unaudited financials are available.

There are no assurances, however, that management will be able to raise capital or debt on terms acceptable to the Company. If the Company is unable to obtain sufficient additional capital, the Company may be required to reduce the near-term scope of its planned development and operations, which could delay implementation of the Company's business plan and harm its business, financial condition, and operating results. The balance sheets do not include any adjustments that might result from these uncertainties.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Principles of Consolidation

The consolidated financial statements include the Company's accounts and the accounts of its wholly owned subsidiaries. All intercompany transactions and balances have been eliminated.

The accompanying consolidated financial statements include the accounts of the Company, its wholly owned subsidiaries, Gulf Coast Aviation, Inc. ("GCA") renamed Volato Aircraft Management Service, a company incorporated in the State of Texas, Fly Vaunt, LLC, a company incorporated in the State of Georgia, and Fly Dreams LLC, until March 3, 2023.

The Company's consolidated subsidiaries are as follows:

Name of Consolidated Subsidiary or Entity	State or Other Jurisdiction of Incorporation or Organization	Attributable Interest
Gulf Coast Aviation, Inc. renamed Volato Aircraft Management Service ("Volato AMS")	Texas	100%
Fly Vaunt, LLC	Georgia	100%
Fly Dreams LLC (*until March 3, 2023)*	Georgia	100%

On March 11, 2022, the Company executed a stock purchase agreement pursuant to which the Company acquired all of the issued and outstanding equity shares of Gulf Coast Aviation, Inc. for a total cash consideration of $1,850,000.

The Company does not hold any controlling interest in any limited liability companies which are referred to as "Plane Co LLC" or "Plane Co" as of September 30, 2023, and December 31, 2022.

Each Plane Co is set up to acquire and own one aircraft pursuant to the HondaJet aircraft purchase agreement executed with Volato, Inc. Each Plane Co is managed by PDK Management LLC, an entity whose sole member is the Company's Chief Executive Officer, through an operating agreement.

On August 16, 2021, Fly Dreams LLC was contributed to the Company in exchange for series seed shares of preferred stock. Fly Dreams LLC and Volato, Inc. are considered entities under common control. In accordance with ASC 805-50, the assets and liabilities of Fly Dreams were transferred at their historical cost to the parent, and the consolidated financial statements present the operations of the combined entities, as if the transfer had occurred at the beginning of 2021. Fly Dreams LLC holds the Federal Aviation Agency ("FAA") certificate and conducts air carrier operations through an aircraft charter Management and Dry Lease Agreement with each of the Plane Co's.

On March 3, 2023, the Company transferred its Fly Dreams LLC operation to GCA and sold all of its membership interest in Fly Dreams LLC, including Fly Dreams FAA part 135 Certificate. The Company now conducts its operations under GCA FAA Part 135 Certificate. The selling price was $550,000, which resulted in the recognition of $387,000 in gain, which is presented in other income (expense) in the unaudited condensed consolidated statement of operations for the nine months ended September 30, 2023.

Use of estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates. Such estimates include:

- Useful lives of property, plant, and equipment.
- Assumptions used in valuing equity instruments.
- Deferred income taxes and related valuation allowance.
- Assessment of long-lived assets impairment.
- Goodwill impairment.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash equivalents

The Company considers all highly liquid investments with an original maturity of three months or less when purchased to be cash equivalents. At September 30, 2023 and December 31, 2022, the Company had no cash equivalents besides what was in the cash balance as of this date. The Company has $2,242,564 and $2,101,980 in restricted cash at September 30, 2023 and December 31, 2022, respectively, which serves as collateral for the credit facility with SAC Leasing G280 LLC.

Investment - Equity Method

The Company accounts for its equity-method investment at cost, adjusted for the Company's share of the investee's earnings or losses, which is reflected in the consolidated statement of operations. The Company periodically reviews the investment for other than temporary declines in fair value below cost and more frequently when events or changes in circumstances indicate that the carrying value of an asset may not be recoverable.

As of September 30, 2023, the only equity-method investment was Volato 158 LLC in which the Company has a 3.13% equity interest. As of December 31, 2022, the only equity-method investments were Volato 239 LLC with a 18.75% equity interest and Volato 158 LLC with a 3.13% equity interest.

As of September 30, 2023, and December 31, 2022, management believes the carrying value of its equity-method investments was recoverable in all material respects.

Accounts Receivable

Accounts receivable are presented net of an allowance for doubtful accounts. The Company maintains allowances for doubtful accounts for estimated losses. The Company reviews the accounts receivable on a periodic basis and makes general and specific allowances when there is doubt as to the collectability of individual balances. In evaluating the collectability of individual receivable balances, the Company considers many factors, including the age of the balance, a customer's historical payment history, current creditworthiness, and current economic trends. Accounts are written off after exhaustive efforts at collection. The Company did recognize $106,273 and $0 of bad debt expense during the nine months ended September 30, 2023 and 2022.

Fixed Assets

Fixed assets are stated at cost, less accumulated depreciation. Depreciation is computed using the straight-line method over the estimated useful lives of the respective assets, which range from three to seven years:

Classification	Life
Machinery and equipment	3-7 years
Automobiles	5 years
Computer and office equipment	5 years
Software development costs	3 years

Computer Software Development

Software development costs are accounted for in accordance with ASC 350-40, *Internal Use Software.* Internal software development costs are capitalized from the time the internal use software is considered probable of completion until the software is ready for use. Business analysis, system evaluation and software maintenance costs are expensed as incurred.

The capitalized computer software development costs are reported under the section fixed assets, net in the consolidated condensed balance sheets and are amortized using the straight-line method over the estimated useful life of the software, generally three years from when the asset is placed in service. The Company determined that there were approximately $932,450 and $163,349 of internal software development costs incurred as of September 30, 2023, and December 31, 2022, respectively. The Company also expensed internal costs related to minor upgrades and enhancements, as it is impractical to separate these costs from normal maintenance activities. The Company recognized $118,644 and $6,442 of amortization expense during the nine months ended September 30, 2023 and 2022, respectively. The Company recognized $67,928 and $3,525 of amortization expense during the three months ended September 30, 2023 and 2022, respectively.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Valuation of Long-Lived Assets:

In accordance with Financial Accounting Standards Board Accounting Standards Codification ("FASB ASC") 360, property, plant, and equipment, and long-lived assets are analyzed for impairment whenever events or changes in circumstances indicate that the related carrying amounts may not be recoverable. The Company evaluates at each balance sheet date whether events and circumstances have occurred that indicate possible impairment. If there are indications of impairment, the Company uses future undiscounted cash flows of the related asset or asset grouping over the remaining life in measuring whether the assets are recoverable. In the event such cash flows are not expected to be sufficient to recover the recorded asset values, the assets are written down to their estimated fair value. No impairment was recognized during the three and nine months ended September 30, 2023 and 2022.

Fair value of financial instruments

The Company adopted the provisions of FASB Accounting Standards Codification ("ASC") 820 (the "Fair Value Topic") which defines fair value, establishes a framework for measuring fair value under U.S. GAAP, and expands disclosures about fair value measurements.

The carrying amount of the Company's financial assets and liabilities, such as cash, accounts receivable, prepaid and other assets, accounts payable and accrued expenses, deposits on aircraft and other deposits, members' deposit approximate their fair value because of the short maturity of those instruments. The Company's line of credit, convertible notes and other promissory notes approximate the fair value of such liabilities based upon management's best estimate of interest rates that would be available to the Company for similar financial arrangements and due to the short-term maturity of these instruments at September 30, 2023 and December 31, 2022.

Commitments and contingencies

The Company follows subtopic 450-20 of the FASB ASC to report accounting for contingencies. Liabilities for loss contingencies arising from claims, assessments, litigation, fines and penalties and other sources are recorded when it is probable that a liability has been incurred and the amount of the assessment can be reasonably estimated.

Revenue recognition

Revenues are recognized on a gross basis and presented on the consolidated statements of operations net of rebates, discounts, and taxes collected concurrent with revenue-producing activities. The transaction price in the Company's contracts with its customers is fixed at the time control of goods and services are transferred to the customer. Therefore, the Company does not estimate variable consideration or perform a constraint analysis for our contracts.

The Company determines revenue recognition pursuant to Accounting Standards Codification ("ASC") 606, Revenue from Contracts with Customers, through the following steps:

1. Identification of the contract, or contracts, with a customer.
2. Identification of the performance obligation(s) in the contract.
3. Determination of the transaction price.
4. Allocation of the transaction to the performance obligation(s) in the contract.
5. Recognition of revenue when, or as the Company satisfies a performance obligation.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The Company generates revenue primarily through three sources: (i) the sale of aircraft, (ii) charter flights which include deposit products, retail and wholesale charter flights and owner flights, and (iii) aircraft management services. Revenue is recognized when control of the promised service is transferred to our customer, in an amount that reflects the consideration we expect to be entitled to in exchange for those services. At contract inception, the Company assesses the goods and services promised in its contracts with customers and identifies, as a performance obligation, each promise to transfer a good or service to a customer that is distinct. To identify its performance obligations, the Company considers all of the goods and services promised in the contract regardless of whether they are explicitly stated or are implied by customary business practices.

For each revenue stream, we evaluate whether our obligation is to provide the good or service itself, as the principal or to arrange for the good or service to be provided by the other party, as the agent, using the control model. For certain services provided to the customer, primarily in our aircraft management services revenue stream, we direct third-party providers to assist in our fulfillment of the performance obligation in contracts with our customers. Any cost reimbursements and third-party costs are recognized in revenue on a gross basis as Volato has pre-negotiated these costs and takes a certain amount of risk that it will not fully recover the costs incurred. In such circumstances, we are primarily responsible for satisfying the overall performance obligation with the customer and are considered the principal in the relationship because we have the ability to direct the third parties to provide services to our customers.

Aircraft sales only requires the delivery of the aircraft.

Volato also generates revenues from charter flights for owners, deposit products, retail customers and wholesale charter brokers. Deposit products are a complementary set of products available to retail charter customers whereby, the customer makes a deposit in exchange for certain charter product offerings of Volato to be provided in the future. Charter flights are flights offered to retail and non-retail charter customers in exchange for a fee. The contracts generally consist of one performance obligation and revenue is recognized upon transfer of control of our promised services, which generally occurs upon the flight hours being used during the period which the chartered flights were operated. The Company's contract for charter services outline the transaction price in advance. Non-owner flights typically require payment in advance. Other charter services are due upon completion of the services. The contracts include cancellation penalty charges as a percentage of the original flight based on the time of cancellation and the type of flight. Itinerary changes may result in a price change prior to the occurrence of the flight. If the total flight itinerary cannot be completed due to any reason (other than customer cancellation or no show), the charter customer is responsible for only the portion of the itinerary that can be completed, and any advance payment is refunded.

Volato aircraft management services are a full-service management and charter operator including dry leasing airplanes from owners, placing aircrafts on our FAA Air Carrier Certificate, operating the aircraft for owner flights and chartering the aircraft to customers. Under the aircraft management services revenues stream, aircraft owners pay management fees to Volato plus all operating expenses for the aircraft, maintenance, crew hiring and management, flight operations, dispatch, hangar, fuel, cleaning, insurance, and aircraft charter marketing. Revenues from aircraft management services consist of one performance obligation to provide management airplane management services. Revenue is partially recognized overtime for the administrative portion of the service, and partially recognized at a point in time, generally upon the transfer of control of the promised services included as part of the management services.

The Company's contracts for managing aircraft provide for fixed monthly management fees and reimbursement of operating expenses at a predetermined margin. Generally, contracts require two months advance deposit of estimated expenses.

In accordance with ASC 606, contract assets are to be recognized when an entity has the right to receive consideration in exchange for goods or services that have been transferred to a customer. Also, in accordance with ASC 606, contract liabilities are to be recognized when an entity is obligated to transfer goods or services for which consideration has already been received. The Company recognizes contract liabilities for any advance payments from customers primarily associated with its deposit products and charter flights as well as aircraft management services revenue streams. Deposits that are provided under the Volato Insider Membership program or the Volato Stretch Card agreements are treated as contract liabilities when the funds are received and are reduced as the flights are utilized. Any deposits that are not utilized over the 24-month term of the agreements, which end upon being forfeited if the agreements are not renewed, would be recognized as revenues at the time they are forfeited. Occasionally, we offer credits to customers of our Volato Insider and Stretch Card agreements in excess of the cash deposit received as an incentive offering. These credits are non-refundable and are recorded as a contract liability until they are either used or expired. The Company does not offer their customer a significant financing component as part of the arrangement because the period between the transfer of service to a customer and when the customer pays for the service is one year or less or the timing and the transfer of the services is at the discretion of the customer.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Contract liabilities consist of customer prepayments and the aircraft deposits referred to above. Total contract liabilities were $6,315,916 and $2,163,056 at September 30, 2023 and December 31, 2022, respectively.

For the three and nine months ended September 30, 2023 and 2022, the sources of revenue were as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
Revenue from management of aircraft recognized over time	$ 2,869,480	$ 779,333	$ 5,788,107	$ 1,545,980
Revenue from management of aircraft recognized at one point in time	3,170,807	3,399,218	9,224,808	7,416,485
Revenue from charter flights and owner used recognized over time	7,140,663	4,207,404	21,137,860	10,063,760
Revenue from the sale of aircraft recognized at one point in time:	-	5,690,000	5,710,000	41,765,000
Total sources of revenue	$ 13,180,950	$ 14,075,955	$ 41,860,775	$ 60,791,225

Income taxes

The Company follows Section 740-10-30 of the FASB ASC, which requires recognition of deferred tax assets and liabilities for the expected future tax consequences of events that have been included in the financial statements or tax returns. Under this method, deferred tax assets and liabilities are based on the differences between the financial statement and tax bases of assets and liabilities using enacted tax rates in effect for the fiscal year in which the temporary differences are expected to be recovered or settled. Deferred tax assets are reduced by a valuation allowance to the extent management concludes it is more likely than not that the assets will not be realized. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date.

The Company follows the guidance of 740-10-25 of the FASB ASC ("Section 740-10-25") with regards to uncertainty in income taxes. Section 740-10-25 addresses the determination of whether tax benefits claimed or expected to be claimed on a tax return should be recorded in the financial statements. Under Section 740-10-25, the Company may recognize the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by the taxing authorities, based on the technical merits of the position. The tax benefits recognized in the financial statements from such a position should be measured based on the largest benefit that has a greater than fifty
percent (50%) likelihood of being realized upon ultimate settlement. Section 740-10-25 also provides guidance on de-recognition, classification, interest and penalties on income taxes, accounting in interim periods and requires increased disclosures. The Company had no material adjustments to its assets and/or liabilities for unrecognized income tax benefits according to the provisions of Section 740-10-25.

The Company is subject to tax in the United States ("U.S.") and files tax returns in the U.S. Federal jurisdiction, and state jurisdictions. The Company is subject to U.S. Federal, state, and local income tax examinations by tax authorities. The Company currently is not under examination by any tax authority.

Stock-based compensation

FASB ASC No. 718, Compensation – *Stock Compensation* ("ASC No. 718"). Companies are required to measure the compensation costs of share-based compensation arrangements based on the grant date fair value and recognize the costs in the financial statements over the period during which employees are required to provide services. Share-based compensation arrangements include stock options, restricted share plans, performance-based awards, share appreciation rights and employee share purchase plans. As such, compensation cost is measured on the date of grant at their fair value. Such compensation amounts, if any, are amortized over the respective vesting periods of the option grant. Equity award forfeitures are recognized at the date of employee termination.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Net loss per share

The Company computes basic and diluted net loss per share amounts pursuant to section 260-10-45 of the FASB ASC. Basic net income (loss) per share is computed by dividing net loss available to common shareholders, by the weighted average number of shares of common stock outstanding during the period, excluding the effects of any potentially dilutive securities. Diluted earnings (loss) per share is computed by dividing net loss available to common shareholders by the diluted weighted average number of shares of common stock during the period. The diluted weighted average number of common shares outstanding is the basic weighted number of shares adjusted as of the first day of the year for any potentially dilutive debt or equity. In periods in which a net loss has been incurred, all potentially dilutive common shares are considered anti-dilutive and thus are excluded from the calculation. Securities that are excluded from the calculation of weighted average dilutive common shares because their inclusion would have been antidilutive for the nine months ended September 30, 2023 and 2022, include stock options, convertible debt and preferred stock.

The Company has 2,233,706 outstanding stock options to purchase an equivalent number of common stock at September 30, 2023. As of September 30, 2023, the Company has 10,564,488 shares of preferred stock convertible at different conversion prices into shares of the Company's common stock.

Concentration of Credit Risk

The Company maintains its cash with a major financial institution located in the United States of America which it believes to be creditworthy. Balances are insured by the Federal Deposit Insurance Corporation up to $250,000. At times, the Company may maintain balances in excess of the federally insured limits.

Intangible Assets

The Company records its intangible assets at cost in accordance with ASC 350, Intangibles - Goodwill and Other. The Company reviews the intangible assets for impairment on an annual basis or if events or changes in circumstances indicate it is more likely than not that they are impaired. These events could include a significant change in the business climate, legal factors, a decline in operating performance, competition, sale, or disposition of a significant portion of the business, or other factors. If the review indicates the impairment, an impairment loss would be recorded for the difference of the value recorded and the new value. For the nine months ended September 30, 2023 and 2022, there was no impairment loss recognized for the intangible asset.

The intangibles include $1,200,000 for a Part 135 FAA certificate and $300,809 (gross) of customer list resulting from the acquisition of Gulf Coast Aviation, Inc. During the nine months ended September 30, 2023, the Company sold its Part 135 FAA Certificate held by Fly Dreams LLC with a carrying value of $163,000 for a total consideration of $550,000, of which $350,000 was funded as of September 30, 2023. The balance of $200,000 is reported under Prepaid and other current assets in the consolidated balance sheet as of September 30, 2023.

Goodwill

Goodwill represents the excess of the aggregate purchase price paid over the fair value of the net assets acquired in our business combinations. Goodwill is not amortized and is tested for impairment at least annually or whenever events or changes in circumstances indicate that the carrying value may not be recoverable. Events or changes in circumstances that could trigger an impairment review include a significant adverse change in business climate, an adverse action or assessment by a regulator, unanticipated competition, a loss of key personnel, significant changes in the manner of our use of the acquired assets or the strategy for our overall business, significant negative industry or economic trends, or significant underperformance relative to expected historical or projected future results of operations. The Company has the option to first assess qualitative factors to determine whether the existence of events or circumstances leads to a determination that it is more likely than not that the fair value of a reporting unit is less than its carrying value, including goodwill.

If, after assessing the totality of events or circumstances, the Company determines that it is not more likely than not that the fair value of a reporting unit is less than its carrying amount, additional impairment testing is not required. The Company tests for goodwill impairment annually during its fourth quarter on October 1. There was no impairment of goodwill as of September 30, 2023, and December 31, 2022.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Segment Reporting

The Company identifies operating segments as components of Volato, Inc. for which discrete financial information is available and is regularly reviewed by the chief operating decision maker, or decision-making group, in making decisions regarding resource allocation and performance assessment. The chief operating decision maker is the chief executive officer. We determined that Volato, Inc. operates in a single operating and reportable segment, private aviation services, as the chief operating decision maker reviews financial information presented on a consolidated basis, accompanied by disaggregated information about revenue and cost of revenue for purposes of making operating decisions, allocating resources, and assessing performance. Substantially all of our long-lived assets are located in the U.S. and revenue from private aviation services is substantially earned from flights throughout the U.S.

Cost of revenue

Cost of revenue includes costs that are directly related to the related revenue streams – charter flights, aircraft management, aircraft sales. Cost of revenue includes expenses incurred to provide flight services and facilitate operations, including aircraft lease costs, fuel, crew travel, maintenance, compensation expenses and related benefits for employees that directly facilitate flight operations including crew and pilots and certain aircraft operating costs such as landing fees and parking. Cost of revenue for the aircraft sales revenue includes cost of the aircraft.

Advertising Costs

Advertising costs are expensed as incurred and included in management and general expenses on the statements of operations. Such advertising amounted to $1,383,118 and $229,788 for the nine months ended September 30, 2023 and 2022, respectively. Such advertising amounted to $805,784 and $93,959 for the three months ended September 30, 2023 and 2022, respectively.

Variable Interest Entity (VIE) Accounting

The Company evaluates its ownership, contractual relationships, and other interests in entities to determine the nature and extent of the interests, whether such interests are variable interests and whether the entities are VIEs in accordance with ASC 810, *Consolidations*. These evaluations can be complex and involve Management judgment as well as the use of estimates and assumptions based on available historical information, among other factors. Based on these evaluations, if the Company determines that it is the primary beneficiary of a VIE, this VIE entity is consolidated into the consolidated financial statements.

Each Plane Co is managed by PDK Management LLC, an entity whose sole member is the Company's Chief Executive Officer, through an operating agreement. The Company does not have the obligation to absorb losses that could be significant to the VIE or the right to receive significant benefits when it holds minority ownership in each PlaneCo. The Company did not consolidate any variable interest entities as of September 30, 2023, and December 31, 2022.

Leases

ASC Topic 842, "Leases" ("ASC 842") requires lessees to recognize most leases on the balance sheet with a corresponding right-to-use asset ("ROU asset"). ROU asset represents the Company's right to use an underlying asset for the lease term and lease liability represents the Company's obligation to make lease payments arising from the lease. The right-of-use asset and lease liability are recognized at the lease commencement date based on the estimated present value of fixed lease payments over the lease term. ROU asset is evaluated for impairment using the long-lived asset impairment guidance. Leases will be classified as financing or operating, which will drive the expense recognition pattern. The Company elects to exclude short-term leases when recording a ROU asset and lease liability if and when the Company has them.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Recent Accounting Pronouncements

In October 2021, the FASB issued ASU No. 2021-08, Business Combinations (Topic 805): Accounting for Contract Assets and Contract Liabilities from Contracts with Customers ("ASU 2021-08"). The amendment requires contract assets and contract liabilities acquired in a business combination to be recognized and measured in accordance with ASC 606, Revenue from Contracts with Customers, as if the acquirer had originated the contract. The amendment is intended to improve the accounting for acquired revenue contracts with customers in a business combination, related to the recognition of an acquired contract liability, and to payment terms and their effect on subsequent revenue recognized by the acquirer. The amendment also provides certain practical expedients when applying the guidance. ASU 2021-08 is effective for interim and annual periods beginning after December 15, 2022, on a prospective basis, with early adoption permitted. The Company adopted ASU 2021-08 on January 1, 2023. The adoption of this standard did not have a material impact on the Company's consolidated condensed financial statements.

In November 2021, the FASB issued ASU 2021-10, Government Assistance (Topic 832), which requires business entities to disclose information about transactions with a government that are accounted for by applying a grant or contribution model by analogy (for example, IFRS guidance in IAS 20 or guidance on contributions for not-for-profit entities in ASC 958-605). For transactions within scope, the new standard requires the disclosure of information about the nature of the transaction, including significant terms and conditions, as well as the amounts and specific financial statement line items affected by the transaction. The new guidance is effective for annual reporting periods beginning after December 15, 2021. The adoption of this standard did not have a material impact on the Company's consolidated condensed financial statements.

In August 2020, the FASB issued "ASU 2020-06, Debt with Conversion and Other Options (Subtopic 470-20) and Derivatives and Hedging—Contracts in Entity's Own Equity (Subtopic 815-40)" ("*ASU 2020-06*") which simplifies the accounting for convertible instruments. The guidance removes certain accounting models which separate the embedded conversion features from the host contract for convertible instruments. Either a modified retrospective method of transition or a fully retrospective method of transition was permissible for the adoption of this standard. Update No. 2020-06 is effective for fiscal years beginning after December 15, 2023, including interim periods within those fiscal years. Early adoption was permitted no earlier than the fiscal year beginning after December 15, 2020. The Company adopted ASU 2020-06 on January 1, 2023, which eliminated, among other things, the beneficial conversion model and requires the instrument to be recorded as a single liability. The adoption of this Update eliminated the recognition of the contingent beneficial conversion feature that was embedded in the Company's convertible notes upon conversion of the convertible notes to equity instruments.

In June 2016, the FASB issued ASU 2016-13, *Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*. The amendments included in ASU 2016-13 require the measurement of all expected credit losses for financial assets held at the reporting date based on historical experience, current conditions, and reasonable and supportable forecasts. Although the new standard, known as the current expected credit loss ("CECL") model, has a greater impact on financial institutions, most other organizations with financial instruments or other assets (trade receivables, contract assets, lease receivables, financial guarantees, loans and loan commitments, and held-to-maturity (HTM) debt securities) are subject to the CECL model and will need to use forward-looking information to better evaluate their credit loss estimates. Many of the loss estimation techniques applied today will still be permitted, although the inputs to those techniques will change to reflect the full amount of expected credit losses. In addition, the ASU amends the accounting for credit losses on available-for-sale debt securities and purchased financial assets with credit deterioration. ASU 2016-13 was originally effective for public companies for fiscal years beginning after December 15, 2019. In November of 2019, the FASB issued ASU 2019-10, Financial Instruments—Credit Losses (Topic 326), Derivatives and Hedging (Topic 815), and Leases (Topic 842): Effective Dates, which delayed the implementation of ASU 2016-13 to fiscal years beginning after December 15, 2022, including interim periods within those fiscal years for smaller reporting companies. The adoption of this standard did not have a material impact on the Company's consolidated financial statements.

The Company has evaluated all the recent accounting pronouncements and determined that there are no accounting pronouncements that will have a material effect on the Company's consolidated financial statements.

NOTE 3 –INTANGIBLES

Finite-Lived Intangible Assets

The following is a summary of finite-lived intangible assets as of September 30, 2023, and December 31, 2022:

	September 30, 2023		
	Cost	Accumulated Amortization	Net
Customer relationships	$ 300,809	$ (94,776)	$ 206,033

	December 31, 2022		
	Cost	Accumulated Amortization	Net
Customer relationships	$ 300,809	$ (49,284)	$ 251,525

Intangible asset amortization expense was approximately $45,490 and $34,000 for the nine months ended September 30, 2023 and 2022, respectively. Intangible asset amortization expense was approximately $15,000 and $16,000 for the three months ended September 30, 2023 and 2022, respectively.

As of September 30, 2023, future amortization expense is expected to be as follows:

Twelve Months ending September 30,	Amount
2024	$ 60,162
2025	60,162
2026	60,162
2027	25,547
Total	$ 206,033

Indefinite-Lived Intangible Assets

The following table summarizes the balance as of September 30, 2023, and December 31, 2022, of the Company's indefinite-lived intangible assets:

	September 30, 2023	Remaining Estimated Useful Life (Years)
Intangible asset – Part 135 certificate	$ 1,200,000	Indefinite

	December 31, 2022	Remaining Estimated Useful Life (Years)
Intangible assets – Part 135 certificates	$ 1,363,000	Indefinite

The FAA Part 135 certificate for a total amount of $1,200,000 relates to the certificate acquired from the GCA acquisition.

During the Company's first fiscal quarter, the Company transferred its Fly Dreams LLC operations to GCA and sold its membership interest in Fly Dreams LLC, including Fly Dreams FAA Part 135 Certificate, with a carrying balance of $163,000, for a selling price of $550,000, which resulted in a gain in the amount of $387,000, which was reported in other income in the consolidated condensed statement of operations for the nine months ended September 30, 2023.

Balance of intangible Part 135 certificates was $1,200,000 and $1,363,000 as of September 30, 2023, and December 31, 2022, respectively.

The Company did not recognize any impairment of the Part 135 certificates as of September 30, 2023, and December 31, 2022.

NOTE 4 – FIXED ASSETS

Fixed assets consist of the following at September 30, 2023 and December 31, 2022:

	September 30, 2023	December 31, 2022
Machine and equipment	$ 185,915	$ 173,035
Automobiles	101,787	63,207
Computer and office equipment	8,104	8,104
Software development costs	932,450	163,349
Fixed assets, gross	1,228,256	407,695
Less accumulated depreciation	(221,530)	(59,133)
Fixed Assets, net	$ 1,006,726	$ 348,562

During the nine months ended September 30, 2023 and 2022, the Company recognized $162,397 and $80,630 of depreciation, respectively. During the three months ended September 30, 2023 and 2022, the Company recognized $82,642 and $11,398 of depreciation, respectively.

NOTE 5 – DEPOSITS ON AIRCRAFT

Deposits on aircraft consist of the following at September 30, 2023 and December 31, 2022:

	September 30, 2023	December 31, 2022
Gulfstream aircraft deposits	$ 30,000,000	$ 12,000,000
Honda aircraft deposits	1,783,333	833,333
Total deposits on aircraft	$ 31,783,333	$ 12,833,333
Less current portion	(28,783,333)	(833,333)
Total deposits on aircraft non-current	$ 3,000,000	$ 12,000,000

Gulfstream Aerospace, LP

During the year ended December 31, 2022, the Company executed a series of purchase agreements with Gulfstream Aerospace, LP for the acquisition of four (4) Gulfstream G 280 aircraft for total consideration of $79,000,000 with expected delivery throughout fiscal year 2024.

During the nine months ended September 30, 2023, the Company funded an additional amount of $18,000,000, of which $15,000,000 was funded through the SAC Leasing G 280 line of credit (See note 9).

The Company funded an aggregate amount of $30,000,000 and $12,000,000 towards the acquisition price of the four Gulfstream G 280 aircraft in accordance with the scheduled payment terms of the agreements as of September 30, 2023, and December 31, 2022, respectively.

Honda Jet

The Company entered into aircraft purchase agreements with Honda Aircraft Company LLC, under which it paid $1,783,333 and $833,333 of deposits for aircraft not yet delivered at September 30, 2023 and December 31, 2022, respectively.

During the nine months ended September 30, 2023, the Company took delivery of one aircraft for a purchase price of $5,500,000, of which $250,000 was previously paid and recorded as deposits on aircraft.

NOTE 5 – DEPOSITS ON AIRCRAFT (CONTINUED)

In May 2023, the Company and Honda Aircraft Company, LLC entered into a HondaJet Fleet Purchase Agreement for the acquisition of twenty-three (23) HondaJet HA-420 Aircraft for a total aggregate purchase price of $161.1 million for delivery between the fourth fiscal quarter of 2023 and the fourth fiscal quarter of 2025.

During the nine months ended September 30, 2023, the Company paid an aggregate of $1,200,000 towards the purchase of the aircraft pursuant to the executed purchase agreements.

NOTE 6 – EQUITY-METHOD INVESTMENT

The Company has the following equity method investments at September 30, 2023 and December 31, 2022:

	September 30, 2023	December 31, 2022
Investment in Volato 158 LLC	$ 153,742	$ 151,874
Investment in Volato 239 LLC	-	1,006,700
	$ 153,742	$ 1,158,574

The Company has one equity-method investment as of September 30, 2023: Volato 158 LLC, with a membership interest of 3.125%.

The Company had the following two equity-method investments as of December 31, 2022: Volato 158 LLC, Volato 239 LLC, with a membership interest of 3.125% and 18.75%, respectively.

During the nine months ended September 30, 2023, the Company recorded an income from its equity method investment of $21,982, which is presented in other income in the consolidated statement of operations.

Volato 158 LLC

In August 2021, the Company executed an aircraft purchase agreement with Volato 158 LLC ("158 LLC") and contributed an aircraft with a carrying amount of $4,167,500 to 158 LLC for a 100% membership interest in 158 LLC. The investment in 158 LLC was initially consolidated as the Company had a controlling financial interest in 158 LLC.

As of December 31, 2022, the Company had a remaining 3.125% interest in 158 LLC. Based on its equity investment, the Company recorded a loss from its equity-method investment of $11,125 for the year ended December 31, 2022, which decreased the carrying value of its equity-method investment as of December 31, 2022, to $151,874.

As of September 30, 2023, the Company has a remaining 3.125% interest in 158 LLC. Based on its equity investment, the Company recorded a gain from its equity-method investment of $1,868 for the nine months ended September 30, 2023, which increased the carrying value of its equity-method investment as of September 30, 2023, to $153,742.

Volato 239 LLC

During the year ended December 31, 2022, the Company formed Volato 239 LLC ("239 LLC") in which third-party investors invested an aggregate amount of $6,370,000 for 81.25% interest in 239 LLC.

The Company retained 0.01% and 18.75% interest in 239 LLC as of September 30, 2023, and December 31, 2022, respectively. The Company elected to account for its investment under the equity method as the Company exercised significant influence through a management agreement with an affiliate of the Company.

Based on its equity investment, the Company has recorded a loss from its equity-method investment of $5,800 for the year ended December 31, 2022, which decreased the carrying value of the investment as of December 31, 2022, to $1,006,700.

Based on its equity investment, the Company recorded a gain from its equity-method investment of $20,115 for the nine months ended September 30, 2023, which is reported as income from equity method investments in the Company's consolidated statement of operations for the nine months ended September 30, 2023.

NOTE 6 – EQUITY-METHOD INVESTMENT (CONTINUED)

During the nine months ended September 30, 2023, the Company sold to third-party investors an aggregate amount of $1,470,000 for the remaining 18.75% interest in 239 LLC, resulting in the recognition of a profit of $443,185, which had been deferred at December 31, 2022. This profit is presented in other income as a gain from the sale of equity-method investment in the unaudited consolidated condensed statement of operation for the nine months ended September 30, 2023.

NOTE 7 – REVOLVING LOAN AND PROMISSORY NOTE- RELATED PARTY

Revolving loan and promissory note with a related party consisted of the following at September 30, 2023 and December 31, 2022:

	September 30, 2023	December 31, 2022
Dennis Liotta, December 2021 – 4% interest – secured revolving loan, due January 2023	$ -	$ 5,150,000
Dennis Liotta, March 2023 – 10% interest – promissory note due March 2024	1,000,000	-
Total notes from related party - current	$ 1,000,000	$ 5,150,000

Dennis Liotta (father of the Company's Chief Executive Officer) – December 2021 Secured revolving note:

On December 9, 2021, the Company entered into a revolving loan agreement with Dennis Liotta, an affiliate of the Company, for a total amount of $8,000,000 which matures on January 1, 2023 ("December 2021 note"). The Company is required to make monthly payments of interest at a fixed rate of 4.0% per annum. The Company is required to make principal repayments at fixed scheduled dates. In the event of default, the entire unpaid principal balance together with all accrued but unpaid interest shall be due and payable regardless of the maturity date. If the default occurs and remains uncured beyond the applicable grace period, then the entire unpaid principal balance shall bear interest at a default interest of 500 basis points (5%) over the regular interest or nine percent (9%). Events of default include the failure to make principal or interest payments when due, any judgement in excess of $500,000, indebtedness cross default, or bankruptcy proceedings.

In conjunction with the execution of the revolving note, both parties executed a security agreement, under which the Company granted a continuing security interest in all of the assets of the Company. The Company did not make its interest payments, thus triggering a default and increasing the interest rate to 9% plus an additional 5% on the missed payments.

The Company incurred approximately $370,000 and $166,000 of interest and penalties during the nine months ended September 30, 2023, and 2022, respectively.

During the Company's first fiscal quarter, the Company converted the unpaid principal balance of this revolving note and accrued interest into a convertible note for total principal balance of $6,001,407 (see note 8).

The balance of the December 2021 note was $0 and $5,150,000 as of September 30, 2023, and December 31, 2022.

Accrued interest, relating to this line of credit, was approximately $0 and $495,000 as of September 30, 2023, and December 31, 2022, respectively, which are presented in accrued interest in the consolidated balance sheets.

Dennis Liotta (father of the Company's Chief Executive Officer) – March 2023 promissory note

On March 15, 2023, the Company entered into a promissory note agreement with Dennis Liotta, an affiliate of the Company, for a total amount of $1,000,000, with an effective date of February 27, 2023, which matures on March 31, 2024 ("March 2023 note"). The entire outstanding principal balance together with accrued but unpaid interest are due at the maturity date. The March 2023 note includes a ten percent (10%) interest rate per annum, which will be increased to twenty percent (20%) upon an event of default. Events of default include the failure to make any principal and accrued interest when due, any legal proceedings against the Company or a voluntary federal bankruptcy. The March 2023 note may be prepaid at any time without penalties. Promissory note from related party was $1,000,000 and $0 as of September 30, 2023, and December 31, 2022, respectively.

NOTE 7 – REVOLVING LOAN AND PROMISSORY NOTE- RELATED PARTY (CONTINUED)

The Company incurred $60,000 of interest during the nine months ended September 30, 2023. Accrued interest was $60,000 as of September 30, 2023, which is presented in accrued interest in the current liabilities in the consolidated condensed balance sheet as of September 30, 2023.

NOTE 8 – UNSECURED CONVERTIBLE NOTES

Unsecured convertible notes consisted of the following at September 30, 2023 and December 31, 2022:

	September 30, 2023	December 31, 2022
2022 unsecured convertible notes, 5% coupon, due December 2023	$ -	$ 18,879,000
2023 unsecured convertible notes, 4% coupon, due March 2024	-	-
Total unsecured convertible notes, gross	-	18,879,000
Less unamortized debt discounts	-	(34,981)
Total unsecured convertible notes, net of discount	$ -	$ 18,844,019
Less current portion	-	18,844,019
Total unsecured convertible notes, net of discount non-current	$ -	$ -

2022 unsecured convertible notes due December 2023 ("2022 notes")

During the year ended December 31, 2022, the Company entered into a series of convertible notes with various investors in a series of multiple closings (the "2022 unsecured convertible notes") for an aggregate principal not to exceed $20,000,000. During the year ended December 31, 2022, the Company issued convertible notes in an aggregate principal amount of $18,879,000, of which $18,879,000 was funded as of December 31, 2022.

During the nine months ended September 30, 2023, the Company secured one additional convertible note for principal amount of $250,000, of which $250,000 was funded for an aggregate amount of $19,129,000.

The notes are due and payable at any time on or after December 31, 2023 ("maturity date"). Upon the written demand of the majority holders of the 2022 notes, the maturity date can be extended at the sole election of the Company to June 30, 2024, should the Company submit or file a prospectus, proxy statement or registration statement with the Securities and Exchange Commission ("SEC"). The convertible notes carry a five percent (5%) interest per annum. The Company may not prepay the convertible notes prior to maturity without the written consent of a majority of the holders.

The notes include automatic contingent conversion features. On or before the maturity date, should the Company become a reporting issuer and the common stock become listed on a national exchange or the Company consummate an underwritten public offering with gross proceeds of at least $35 million ("automatic conversion event"), the notes will be automatically converted into the Company's common stock at a conversion price calculated as the lesser of a set discount to the initial public offering ("IPO") price or a set formula calculated as the ratio of $80 million by the number of shares of common stock immediately preceding the above contingent event.

The convertible notes also contain an automatic conversion feature upon the securement of qualified financing, which is defined as the sale of equity securities on or before the maturity date for total proceeds of no less than $10 million. The conversion price will be the lesser of (i) a set discount to the cash price per share for equity securities or (ii) the quotient of $80 million divided by the number of outstanding shares of common stock prior to the qualified financing.

The convertible notes also have an optional conversion feature upon a transaction that does not qualify as a qualified financing or an automatic conversion event (as defined above) at the majority vote of the holders at the same conversion price as the conversion price upon a qualified financing.

In the event the convertible notes are still outstanding at the maturity date, the principal and accrued interest shall automatically convert into a newly created series of preferred stock at a conversion price equal to the quotient of $64 million by the number of shares of common stock issued and outstanding at maturity date.

NOTE 8 – UNSECURED CONVERTIBLE NOTES (CONTINUED)

The notes also include a change of control feature, that allows the holders to receive an amount in cash equal to the principal and accrued but unpaid interest plus a repayment premium set at 25% of the outstanding principal of the notes. At issuance, the Company determined that this put feature was not probable and as a result was not accounted for separately from the debt host instrument.

In conjunction with the issuance of the notes, the Company incurred $87,159 of closing financing costs to this date, which were presented as an offset to the convertible notes in the consolidated balance sheets as of December 31, 2022.

The 2022 unsecured convertible notes included a conversion feature that failed the derivative accounting pursuant to ASC 815 *Derivatives and Hedging* as the conversion feature failed the net settlement criterion for derivative accounting, as the common shares underlying the conversion feature are not readily convertible to cash. The 2022 convertible notes are contingently convertible into equity securities upon a future contingent event outside of the Company's control.

On January 1, 2023, the Company elected to adopt ASU 2020-06 *Debt- Debt with Conversion and Other Options (Subtopic 470-20)*, which eliminated, among other things, the beneficial conversion model, and as such the 2022 convertible notes was accounted for as a single liability measured at its amortized costs.

On July 21, 2023, the Company secured a qualifying financing for cash, which triggered the automatic conversion of the carrying balance of the 2022 convertible notes into a newly issued series of preferred stock, namely the Series A-2 preferred stock (See note 11).

During the three months ended September 30, 2023, the Company converted the carrying balance of the 2022 unsecured convertible notes, which includes principal balance of $19,129,000, accrued but unpaid interest in the amount of $812,960 and $36,060 of unamortized debt discount, into 3,327,624 shares of Series A-2 preferred stock based on an agreed upon conversion price of $5.9820 in accordance with the original terms of the 2022 unsecured convertible notes agreements.

During the nine months ended September 30, 2023, the Company amortized $37,677 of closing financing costs through interest expense, bringing the unamortized financing costs balance at approximately $36,060.

During the nine months ended September 30, 2023 and 2022, the Company recognized $552,325 and $81,620 of interest expense, respectively. During the three months ended September 30, 2023 and 2022, the Company recognized $87,442 and $56,004 of interest expense, respectively.

2023 unsecured convertible notes

The Company entered into a series of convertible notes (the "2023 unsecured convertible notes") issued in a series of multiple closings for an aggregate principal not to exceed $25,000,000. During the nine months ended September 30, 2023, the Company issued a series of notes in an aggregate principal amount of $18,421,407, of which $12,420,000 was funded and $6,001,407 was issued pursuant to the conversion of the line of credit with a related party (see note 7).

The notes (principal and interest) are due and payable at any time on or after March 31, 2024 ("maturity date"), upon the written demand of the majority holders, which can be extended at the sole election of the Company to September 30, 2024, should the Company submit or file a prospectus, proxy statement or registration statement with the Securities and Exchange Commission ("SEC"). The convertible notes carry a four percent (4%) coupon per annum effective July 1, 2023. The Company may not prepay the convertible notes prior to maturity without the written consent of a majority of the holders.

The notes include automatic contingent conversion features. On or before the maturity date, should (a) the Company become a reporting issuer and ITS common stock become listed on a national exchange or (b) the Company consummates a listing of its common stock through acquisition or by merger with a special purpose acquisition company ("SPAC") in which the resulting parent company in such transaction realizes total proceeds from such business combination, including the SPAC cash in trust and any private placement effected concurrently with such business combination of at least $35,000,000 ("SPAC combination") or (c) an underwritten public offering with gross proceeds of at least $35 million ("automatic conversion event"), the notes will be automatically converted into the Company's common stock at a conversion price calculated at 0.90 of the price per share paid by a qualified SPAC combination or of the price per share paid by the purchasers of common stock from the underwriters in an IPO.

NOTE 8 – UNSECURED CONVERTIBLE NOTES (CONTINUED)

The convertible notes also contain an automatic conversion feature upon the securement of a Qualified Financing, which is defined as the sale of equity securities on or before the maturity date for total proceeds of no less than $10 million. The conversion price per share will be equal to the cash price paid per share for equity securities by the investors in Qualified Financing multiplied by 0.90.

The convertible notes also have an optional conversion feature upon a transaction that does not qualify as a qualified financing or an automatic conversion event (as defined above) at the majority vote of the holders at the same conversion price as the conversion price upon a qualified financing.

The 2023 notes also include a change of control feature, that automatically convert the principal and accrued interest, in whole, into the number of shares of common stock of the Company at a conversion price per share equal to the cash price paid per share by the acquiror pursuant to such change of control multiplied by 0.90.

On January 1, 2023, the Company elected to adopt ASU 2020-06 *Debt- Debt with Conversion and Other Options (Subtopic 470-20)*, which eliminated, among other things, the beneficial conversion model, and as such the 2022 convertible notes was accounted for as a single liability measured at its amortized costs.

On July 21, 2023, the Company secured a qualifying financing for cash, which triggered the automatic conversion of the 2023 convertible notes into a newly issued series of preferred stock, namely the Series A-3 preferred stock (See note 11).

During the three and nine months ended September 30, 2023 and 2022, the Company recognized approximately $34,319 and $0 of interest expense, respectively.

During the three months ended September 30, 2023, the Company converted the carrying balance of the 2023 unsecured convertible notes, which includes principal balance of $18,421,407, accrued but unpaid interest in the amount of $34,319, into 2,050,628 shares of Series A-3 preferred stock based on an agreed upon conversion price of $9.00 in accordance with the original terms of the 2023 unsecured convertible notes agreements.

NOTE 9 – LONG TERM NOTE PAYABLE AND CREDIT FACILITY

Long term notes payable and credit facility consisted of the following at September 30, 2023 and December 31, 2022:

	September 30, 2023	December 31, 2022
SAC Leasing G280 LLC credit facility, 12.5 % interest, net of deposits	$ 18,750,000	4,500,000
Less discounts	(353,182)	(329,994)
Total notes payable, net of discount	$ 18,396,818	4,170,006

SAC Leasing G280 LLC Line of credit

During the year ended December 31, 2022, the Company executed a series of purchase agreements with Gulfstream Aerospace, LP for the acquisition of four (4) Gulfstream G-280 aircraft for total consideration of $79,000,000 with expected deliveries in 2024, of which an aggregate amount of $30,000,000 was funded and paid as of September 30, 2023, partially through a credit facility from SAC leasing G 280 (note 5).

During the nine months ended September 30, 2023, the Company paid an additional $3,000,000 towards the purchase agreements and funded an additional $15,000,000 through the SAC Leasing G280 credit facility.

During the nine months ended September 30, 2023, the Company increased its SAC leasing G280 line of credit by $15,500,000 and repaid $500,000, which brings the carrying balance at $19,500,000 as of September 30, 2023.

The Company incurred $480,500 and $356,750 of incremental closing costs, which are reported as debt discount against the liability in the consolidated balance sheets as of September 30, 2023, and December 31, 2022, respectively. During the nine months ended September 30, 2023 and 2022, the Company amortized to interest expense $100,561 and $0 of debt discount. During the nine months ended September 30, 2023 and 2022, the Company amortized to interest expense $38,215 and $0 of debt discount

NOTE 9 – LONG TERM NOTE PAYABLE AND CREDIT FACILITY (CONTINUED)

The maturity date is the earlier of the delivery date of the aircraft or September 14, 2025, which is thirty-five (35) months from the date of funding. The purchase agreement contracts were assigned to SAC G280 LLC as collateral on this credit facility.

During the nine months ended September 30, 2023 and 2022, the Company incurred approximately $1,256,290 and $0 of interest under this facility. During the three months ended September 30, 2023 and 2022, the Company incurred approximately $607,290 and $0 of interest under this facility

The Company entered into the pre-delivery payment agreement on October 5, 2022, with SAC Leasing G280, LLC to obtain loans in the aggregate amount of $40,500,000 for the purchase of four (4) Gulfstream G280 aircraft to be delivered in 2024. The Board of Directors consented to the participation of Coastal States Bank, as a syndicate lender in the financing of additional aircraft by SAC Leasing G280 LLC. On August 25, 2023, the Company and SAC Leasing V280, LLC entered into the first amendment to pre-delivery payment agreement. As of September 30, 2023, the Company had an aggregate amount of $19,500,000 in promissory notes, of which 60% was sole to Coastal States Bank pursuant to the first amendment.

NOTE 10 – RELATED PARTIES

PDK Capital LLC (owned by the Chief Executive Officer)

On August 16, 2021, the Company and PDK Capital, LLC ("PDK"), executed an agreement, under which PDK contributed to the Company all of the issued and outstanding ownership interest in Fly Dreams LLC, for 150,219 shares of Series Seed preferred stock. Fly Dreams LLC owns a FAA Certificate and is in the business of operating a part-135 aircraft charter business. The purchase price was applied against the acquisition of 651,239 shares of series seed preferred stock by PDK, representing approximately 33% of the issued and outstanding preferred shares.

During the nine months ended September 30, 2023, the Company transferred its Fly Dreams LLC operations to GCA. The Company sold all of its membership interest in Fly Dreams LLC, including Fly Dreams FAA part 135 Certificate. The Company now conducts its operations under GCA FAA Part 135 Certificate. The selling price was $550,000, which resulted in the recognition of $387,000 in gain, which is presented in other income in the unaudited condensed consolidated statement of operations for the nine months ended September 30, 2023.

Argand Group LLC ***(jointly owned by the Chief Executive Officer and his wife as Vice President of Legal)***

As of September 30, 2023, Argand Group LLC owns an aggregate of 3,414,661 shares of Common stock, representing 46.6% of the issued and outstanding shares of common stock. The Company leases two (2) aircraft from Argand up until July 31, 2023. The total lease expense incurred by the Company was $0 and $56,260 during the nine months ended September 30, 2023 and 2022, respectively. The total lease expense incurred by the Company was $0 and $15,460 during the three months ended September 30, 2023 and 2022, respectively. There is no balance owed to Argand Group LLC as of September 30, 2023.

PDK Management LLC (Chief Executive Officer is the sole member)

The Company facilitates the formation of limited liability plane companies ("Plane Co LLC"), which are then funded by third party members prior to the sale and delivery of an aircraft purchased from Honda Aircraft Company that will enter into the Company's fractional program. Each Plane Co LLC is governed by an operating agreement and managed by PDK Management LLC, an entity whose sole member is the Company's Chief Executive Officer.

The aggregate amount of revenue generated from Plane Cos totaled $3,344,391 and $1,640,956 for the nine months ended September 30, 2023 and 2022, respectively. The aggregate amount of revenue generated from Plane Cos totaled $1,109,797 and $798,083 for the three months ended September 30, 2023 and 2022, respectively.

Expenses charged to the Company by Plane Cos totaled $2,915,499 and $1,317,371 for the nine months ended September 30, 2023 and 2022, respectively. Expenses charged to the Company by Plane Cos totaled $902,672 and $581,156 for the three months ended September 30, 2023 and 2022, respectively.

Balance due to Plane Cos amounted to $271,241 and $217,408 at September 30, 2023 and December 31, 2022, respectively.

NOTE 10 – RELATED PARTIES (CONTINUED)

Liotta Family Office, LLC (60% owned by the father of the Company's Chief Executive Officer, 20% owned by the brother of the Company's Chief Executive Officer and 20% owned by the Company's Chief Executive Officer)

During the nine months ended September 30, 2023, Liotta Family Office, LLC entered into an unsecured promissory note for a total amount of $1,000,000 (note 7). The Company incurred approximately $60,000 of interest during the nine months ended September 30, 2023. Accrued interest was approximately $60,000 as of September 30, 2023.

During the nine months ended September 30, 2023, the Company converted the remaining principal, accrued interest and penalties of its line of credit into a convertible note for a total principal of $6,001,407. During the nine months ended September 30, 2023, the Company converted the principal of $6,001,407 into 668,065 shares of Series A-3 preferred stock representing approximately 32.6% of the issued and outstanding Series A-3 preferred shares as of September 30, 2023

Liotta Family Office, LLC currently owns 1,302,477 Series Seeds preferred shares, which represents approximately 32.7% of the issued and outstanding Series Seeds preferred shares as of September 30, 2023.

During the nine months ended September 30, 2023, the Company converted $3,000,000 principal and $165,616 of accrued interest owed to Liotta Family Office, LLC, into 529,190 shares of Series A-2 preferred stock representing approximately 15.9% of the issued and outstanding Series A-2 preferred shares as of September 30, 2023.

Aircraft Lease and Charter Services

As part of Volato's aircraft ownership program, Volato leases a HondaJet HA-420 aircraft from Volato 158, LLC ("158LLC"), the Company's equity-method investment, which is 25% owned by DCL H&I, LLC ("DCL"). Dennis Liotta (The Company's Chief Executive Officer's father) and his spouse own 100% of DCL. Under the terms of an aircraft dry lease, 158 LLC pays Volato a monthly management fee of $38,000, and Volato pays 158 LLC an hourly rental rate of $1,000 per revenue flight hour. The lease expires on August 20, 2026.

Hangar Sublease and Personnel Services

The Company leases hangar and office space from Modern Aero, LLC ("Modern Aero"), a Florida limited liability company that operates a flight school at the Northeast Florida Regional Airport in St. Augustine, Florida. The Company's Chief Executive Officer and his spouse hold a majority interest in Modern Aero. The Company pays $3,800 per month in rent under a month-to-month lease arrangement.

Hoop Capital, LLC (Controlled by the Company's Chief Commercial Officer and a director)

As of September 30, 2023, Hoop Capital LLC owns an aggregate of 3,414,660 shares of Common stock, representing 46.6% of the issued and outstanding shares of common stock.

Matthew Liotta 2021 Trust (the "Liotta Trust")

On December 30, 2022, the Company issued an unsecured convertible note to Matthew Liotta in the amount of $1 million. During the nine months ended September 30, 2023, the Company incurred approximately $29,180. Following the qualifying financing, the Company converted the principal of the note and accrued interest in the aggregate amount of $1 million into 171,748 shares of Series A-2 preferred stock.

NOTE 11 –PREFERRED STOCK (MEZZANINE EQUITY)

The Company has the following authorized preferred stock which have been designated as follows:

	Number of Shares Authorized	Number of Shares Outstanding at September 30, 2023	Par Value
Preferred stock As a Class	15,359,488		$ 0.001
Designated Preferred Series Seed (*)	3,981,236	3,981,236	$ 0.001
Designated Preferred Series A-1	6,000,000	1,205,000	$ 0.001
Designated Preferred Series A-2	3,327,624	3,327,624	$ 0.001
Designated Preferred Series A-3	2,050,628	2,050,628	$ 0.001

On July 24, 2023, and amended on September 18, 2023, the Company filed its third amended and restated articles of incorporation with The State of Georgia

(*) Stock Split and Reverse Stock Split

On July 21, 2023, the Company's Board of Directors and shareholders approved a reverse stock split of the company's Common and Series Seed Preferred shares, on a one-for-0.434159 basis, effective as of July 21, 2023. This reverse stock split reduced the number of outstanding Common shares from 16,400,000 to 7,120,208, while the par value per share remained unchanged. This reverse stock split reduced the number of outstanding Series Seed Preferred shares from 9,170,000 to 3,981,236, while the par value per share remained unchanged. The reverse stock split was undertaken to increase the per share price of the Company's Common and Series Seed Preferred stock.

The shareholders of the Company approved a two-for-one stock reverse split on November 15, 2022, which was effective on January 6, 2023. All share amounts have been retroactively adjusted to reflect the above stock split and reverse stock split.

Series Seed Preferred Shares ("Series Seed')

On August 25, 2021, the Company filed an amended and restated articles of incorporation with the Secretary of State of Georgia. The holders of shares of preferred stock have a preference in payment, upon dissolution, liquidation, winding up of the Company or deemed liquidation event, out of the funds and assets available for distribution to its shareholders in an amount equal to the greater of (i) the original issue price of $1.15 (following a two-for-one stock split and one-for-0.434159 reverse stock split) plus any dividends declared but unpaid or (ii) the amount per share as would have been payable had all shares of preferred stock been converted into common stock.

The Series Seed preferred shares have voting rights, on any matter presented to the shareholders, equal to the number of shares of common stock into which such respective shares of preferred are convertible. Each share of Series Seed preferred is convertible into shares of common stock, at any time and at the option of the holder, determined by dividing the original issue price of $1.15 (following a two-for-one stock split and one-for-0.434159 reverse stock split) by the conversion price in effect. Such conversion price is initially set as $1.15 (following a two-for-one stock split and one-for-0.434159 reverse stock split) and subject to standard anti-dilution provisions. Such conversion feature terminates upon a liquidation, winding up, dissolution or a deemed liquidation event. Each share of preferred stock shall be automatically converted into shares of common stock at any time upon the occurrence of an event specified by vote or written consent of the requisite holders at the time of such vote or immediately upon the closing of a qualified financing.

The Company issued an aggregate of 3,981,236 series seed shares of preferred stock for total purchase price of $4,585,000, of which $4,585,000 has been funded as of September 30, 2023, and December 31, 2022.

There was no activity during the three and nine months ended September 30, 2023 and 2022. The Series Seed Preferred stock was initially reported and disclosed in permanent equity during the year ended December 31, 2022, and the three and six months ended June 30, 2023. The shares of Series Seed have a redemption feature upon the occurrence of deemed liquidation events, which is defined as a merger, consolidation and change of control or the sale, lease or licensing of substantially all of the Company's assets. Following the July 2023 financing, the Company no longer has the ability to control such events, which resulted in the reclassification of the Series Seed into Mezzanine equity during the three months ended September 30, 2023.

NOTE 11 –PREFERRED STOCK (MEZZANINE EQUITY)

Series A-1, A-2, and A-3 Preferred Stock ("Series A Preferred Stock")

On July 24, 2023 and amended on September 18, 2023, the Company filed its third Amended and Restated articles of incorporation with the Secretary of State of Georgia.

The Series A-1, A-2 and A-3 shares have voting rights, on any matter presented to the shareholders, equal to the number of shares of common stock into which such respective shares of preferred are convertible. The Company shall not declare or pay dividends on shares of any other class unless the holders of preferred shares then outstanding shall first receive, a dividend on each outstanding share of preferred stock on a Pari passu basis, calculated based on the original issue price. The Series A-1, A-2 and A-3 have an original issue price equals to $10.00 per share, $5.98 per share and $9.00 per share, respectively, subject to adjustments in the event of any stock dividend, stock split, combination, or other similar recapitalization. In the event of liquidation, dissolution or winding up of the Company, the holders of preferred stock shall be entitled to be paid on a pari passu basis based on the original issue price.

The holders of shares of Series A-1, A-2 and A-3 preferred stock are redeemable upon the dissolution, liquidation, winding up of the Company or deemed liquidation events similar to the Series Seed. Since the Company does not control the occurrence of such events, the shares of Series A preferred stock are presented in Mezzanine Equity. The Company concluded that the Series A preferred stock do not meet the limited exception from Mezzanine pursuant to ASC 480-10-S99-3A3(f).

Conversion

Each share of Series A preferred is convertible into shares of common stock, at any time and at the option of the holder, determined by dividing the original issue price by the conversion price in effect. Such conversion price is initially set as $10.00, $5.98 and $9.00 for the Series A-1, Series A-2 and Series A-3, respectively and subject to standard anti-dilution provisions. The conversion price is subject to down round protection.

Such conversion feature terminates upon a liquidation, winding up, dissolution or a deemed liquidation event.

In August of 2023, the Company executed a combination agreement with the Special Acquisition Company Proof Acquisition Corporation. The SPAC was sponsored by the venture capital firm PROOF.

During the nine months ended September 30 2023, the Company issued 1,205,000 Series A-1 shares of preferred stock for cash proceeds of $12,050,000 from the SPAC sponsor.

During the nine months ended September 30 2023, the Company issued 3,327,624 Series A-2 shares of preferred stock from the conversion of the 2022 convertible notes in the aggregate principal amount of $19.1 million and $0.8 million of accrued but unpaid interest based on an effective conversion price of $5.9820.

During the nine months ended September 30 2023, the Company issued 2,050,628 Series A-3 shares of preferred stock from the conversion of the 2023 convertible notes in the aggregate principal amount of $18.4 million and $0.1 million of accrued but unpaid interest based on an effective conversion price of $9.00.

NOTE 12 – SHAREHOLDERS' DEFICIT

The Company has authorized stock which have been designated as follows:

	Number of Shares Authorized	Number of Shares Outstanding at September 30, 2023	Par Value
Common Stock (*)	26,249,929	7,324,468	$ 0.001

On July 24, 2023, and amended on September 18, 2023, the Company filed its third amended and restated articles of incorporation with The State of Georgia.

(*) Stock Split and Reverse Stock Split

On July 21, 2023, the Company's Board of Directors and shareholders approved a reverse stock split of the company's Common and Series Seed Preferred shares, on a one-for-0.434159 basis, effective as of July 21, 2023. This reverse stock split reduced the number of outstanding Common shares from 16,400,000 to 7,120,208, while the par value per share remained unchanged. This reverse stock split reduced the number of outstanding Series Seed Preferred shares from 9,170,000 to 3,981,236, while the par value per share remained unchanged. The reverse stock split was undertaken to increase the per share price of the Company's Common and Series Seed Preferred stock.

The shareholders of the Company approved a two-for-one stock reverse split on November 15, 2022, which was effective on January 6, 2023. All share amounts have been retroactively adjusted to reflect the above stock split and reverse stock split.

Common Stock

During the nine months ended September 30, 2023, the Company issued 204,260 shares of common stock for cash receipt of $23,468 following the exercise of stock options.

As of September 30, 2023, the Company has a total of 7,324,468 shares of common stock for total purchase price of $76,968, of which $15,000 remained unpaid and are reported as stock subscription receivable in the shareholders' equity (deficit) as of September 30, 2023, and December 31, 2022.

Equity Incentive Plan

In 2021, the shareholders of the Company approved the 2021 Equity Incentive Stock Plan (the "2021 Plan"), which provides for the grant of incentive stock options, non-statutory stock options to employees, and consultants. The aggregate number of shares of Common Stock that may be issued pursuant to the 2021 Plan is limited to 2,000,000 (pre stock split and reverse stock split).

Effective November 15, 2022, the board of directors and shareholders approve the increase of the aggregate number of shares of common stock that may be issued pursuant to the 2021 Plan to 6,275,000 (post stock split and pre reverse stock split) following the approval of a two-for-one stock split. Effective July 21, 2023, the board of directors and shareholders approve the decrease of the aggregate number of shares of common stock that may be issued pursuant to the 2021 Plan to 2,724,347 (post stock split and reverse stock split) following the approval of a one-for-0.434159 reverse stock split.

NOTE 12 – SHAREHOLDERS' DEFICIT (CONTINUED)

Stock Options

The balance and activity of all stock options outstanding as of September 30, 2023, following the Company' stock split (effective January 6, 2023) and reverse stock split (effective July 21, 2023), is as follows:

	Options	Weighted Average Exercise Price Per Share	Weighted Average Remaining Contractual Term (years)
Outstanding at December 31, 2022	2,470,365	$ 0.14	9.4
Granted	276,774	$ 8.14	-
Cancelled	(309,122)	$ 0.22	-
Exercised	(204,311)	$ 0.12	-
Outstanding at September 30, 2023	2,233,706	$ 1.12	9.0
Exercisable at September 30, 2023	645,927	$ 0.17	

The following table summarizes the range of exercise price, weighted average remaining contractual life ("Life") and weighted average exercise price ("Price") for all stock options outstanding as of September 30, 2023:

	Options Outstanding		Options Exercisable
Exercise Price	Shares	Life (in years)	Shares
$ 0.12	158,466	7.9	106,005
$ 0.14	1,571,267	9.0	439,525
$ 0.16	231,552	8.6	97,684
$ 7.21	75,316	9.6	-
$ 8.52	197,105	9.9	2,713
	2,233,706	9.0	645,927

The Black-Scholes option pricing model is used by the Company to determine the weighted-average fair value of share-based payments. The weighted average grant date fair value of stock options issued during the nine months ended September 30, 2023, was $3.13 per share. The Company's recognizes forfeitures as they occur. The fair value of stock options on the grant date was determined using the following weighted-average assumptions during the nine months ended September 30, 2023 and 2022:

	For The Nine Months Ending September 30,	
	2023	2022
Expected term	2-4	4
Expected volatility	30%	30%
Expected dividends	None	None
Risk-free interest rate	3.6%-4.6%	1.9%-2.6%
Forfeitures	None	None

As of September 30, 2023, the unrecognized compensation cost related to non-vested awards was $888,756.

NOTE 13 – COMMITMENT AND CONTINGENCIES

Commitments

During the year ended December 31, 2022, the Company entered into purchase agreements with Honda Jet for the acquisition of aircraft that have not yet been delivered at September 30, 2023. The delivery of the remaining one (1) aircraft scheduled for 2023 will require payments totaling approximately $6,200,000.

Honda May 2023 Purchase Agreement

On May 5, 2023, the Company entered into a HondaJet Fleet Purchase Agreement with Honda Aircraft Company. LLC, for the purchase and delivery of twenty-three (23) HondaJet HA-420 Aircraft for a total estimated purchase price of $161.1 million with expected delivery between the fourth fiscal quarter of 2023 and the fourth fiscal quarter of 2025. The Company should make a $150,000 deposit for each aircraft twelve months prior to the expected delivery date.

As of September 30, 2023, the Company has funded an aggregated amount of $1,450,000 towards the purchase agreement, which is presented under Deposits on Aircraft non-current in the consolidated financial statements.

Gulfstream Aerospace, LP

During the year ended December 31, 2022, the Company executed a series of purchase agreements with Gulfstream Aerospace, LP for the acquisition of four (4) Gulfstream G-280 aircraft for total consideration of $79,000,000 with expected deliveries in 2024, for which the Company made prepayments totaling $30,000,000 and $12,000,000 as of September 30, 2023, and December 31, 2022, respectively. The $30,000,000 is non-refundable, except in some specific circumstances, and would serve as consideration for liquidated damages of $3,000,000 per aircraft should the purchase agreement be terminated by the Company.

During the nine months ended September 30, 2023, the Company made additional payments of $18,000,000 towards these agreements, of which $15,000,000 was funded through the SAC Leasing G280 LLC credit facility (note 9).

Future minimum payments under the purchase agreements with Gulfstream Aerospace, LP at September 30, 2023, are as follows:

For the twelve months ended September 30,	*Gulfstream G280 Fleet*
2024	$ 41,250,000
2025	7,750,000
Total expected contractual payments	$ 49,000,000

The Company has a credit facility in place with SAC Leasing G280 LLC to fund $40,500,000 of the original $79,000,000 due under these purchase agreements with Gulfstream Aerospace LP. The remaining balance to be funded by SAC Leasing G280 LLC is $21,000,000.

Legal Contingencies

The Company is currently not involved with or know of any pending or threatening litigation against the Company or any of its officers.

NOTE 14 – SUBSEQUENT EVENTS

Management has evaluated events that have occurred subsequent to the date of these consolidated unaudited financial statements and has determined that, other than those listed below, no such reportable subsequent events exist through December 4, 2023, the date the consolidated unaudited financial statements were issued in accordance with FASB ASC Topic 855, “Subsequent Events.”

Subsequent to September 30, 2023, the Company issued an additional 180,000 shares of Series A-1 for cash consideration of approximately $1.8 million to the sponsor of the blank check company with whom the Company executed a business combination.

On October 16, 2023, the Company engaged Roth Capital Partners, LLC (“Roth Capital”) as its capital markets advisor. Roth Capital was engaged for a fee ranging from $1 million to $2 million for assisting the Company with raising capital.

On November 28, 2023, in conjunction with the Business Combination, PACI and Volato entered into an Equity Prepaid Forward Transaction with Vellar Opportunities Fund Master, Ltd.

Exhibit 99.2

UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL INFORMATION

Defined terms included below have the same meaning as terms defined and included in the Form S-4 filed with the SEC on November 3, 2023. Unless the context otherwise requires, all references in this section to the "Combined Company" refer to Volato Group, Inc., or PACI, and its wholly-owned subsidiaries after giving effect to the Transactions.

Recent Developments

In October and November 2023, Volato raised an additional $12.2 million of equity capital, respectively, which was on the same terms as the prior issuance of the $10 million Volato Series A-1 Preferred Shares in July 2023. The pro forma condensed combined financial information as of and for the nine months ended September 30, 2023, has been adjusted for the relevant transaction. On November 28, 2023, in conjunction with the Business Combination, PACI and Volato entered into an Equity Prepaid Forward Transaction with Vellar Opportunities Fund Master, Ltd. The accounting for the forward purchase agreement derivative liability, and the final fair value, are still under evaluation and have not been included in the proforma financials.

Introduction

The following unaudited pro forma condensed combined financial statements of PACI present the combination of the historical financial information of PACI and Volato adjusted to give effect for the Business Combination between PACI and Volato. The following unaudited pro forma condensed combined financial information has been prepared in accordance with Article 11 of Regulation S-X.

The unaudited pro forma condensed combined balance sheet as of September 30, 2023, combines the historical balance sheet of PACI and the historical balance sheet of Volato, on a pro forma basis as if the Business Combination had been consummated on September 30, 2023. Including the $12.2 of capital raised in October and November 2023.

The unaudited pro forma condensed combined statement of operations for the nine months ended September 30, 2023, combines the historical statements of operations of PACI and Volato for such period on a pro forma basis as if the Business Combination had been consummated on January 1, 2022, the beginning of the earliest period presented.

The unaudited pro forma condensed combined statement of operations for the year ended December 31, 2022, combines the historical statements of operations of PACI and Volato for such period on a pro forma basis as if the Business Combination had been consummated on January 1, 2022, the beginning of the earliest period presented.

The unaudited pro forma condensed combined financial statements have been developed from and should be read in conjunction with:

- the accompanying notes to the unaudited pro forma condensed combined financial statements;
- the historical unaudited financial statements of PACI as of and for the nine months ended September 30, 2023 and the related notes thereto, included in the Form 10-Q filed with the SEC on November 14, 2023;
- the historical unaudited financial statements of Volato as of and for the nine months ended September 30, 2023 and the related notes thereto, included Form 8-K;
- the historical audited financial statements of PACI as of and for the year ended December 31, 2022 and the related notes thereto, included in the Form S-4 filed with the SEC on November 3, 2023;
- the historical audited financial statements of Volato as of and for the year ended December 31, 2022 and the related notes thereto, included in the Form S-4 filed with the SEC on November 3, 2023; and
- the sections entitled "*Management's Discussion and Analysis of Financial Condition and Results of Operations of PACI*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations of Volato,*" and other financial information relating to PACI and Volato included elsewhere in this Form 8-K, including the Business Combination Agreement.

The unaudited pro forma condensed combined financial information has been presented for illustrative purposes only and does not necessarily reflect what PACI's financial condition or results of operations would have been had the Business Combination occurred on the dates indicated, nor are they indicative of the future consolidated results of operations or financial position of the combined company.

Description of Transaction

The Business Combination between PACI and Volato is expected to be accounted for as a reverse recapitalization with Volato as the accounting acquirer. In accordance with this method of accounting, the Business Combination will be treated as the equivalent of Volato issuing shares for the net assets of PACI, accompanied by a recapitalization. The net assets of Volato will be stated at historical cost, with no goodwill or other intangible assets recorded, and operations prior to the Business Combination will be those of Volato.

Forward Purchase Agreement

On November 28, 2023, PACI, Volato and Vellar Opportunities Fund Master, Ltd. ("Seller"), entered into an agreement (the "Forward Purchase Agreement") for an OTC Equity Prepaid Forward Transaction (the "Forward Purchase Transaction"). For purposes of the Forward Purchase Agreement, PACI is referred to as the "Counterparty" prior to the closing of PACI's previously announced business combination (the "Business Combination") with Volato (the "Closing"), while Volato is referred to as the "Counterparty" after the Closing. Capitalized terms used herein but not otherwise defined shall have the meanings ascribed to such terms in the Forward Purchase Agreement.

Pursuant to the terms of the Forward Purchase Agreement, the Seller intends, but is not obligated, to purchase prior to the Closing up to 2.0 million shares (the "Maximum Number of Shares") of PACI from third parties through a broker in the open market. The Number of Shares subject to a Forward Purchase Agreement is subject to reduction following a termination of the Forward Purchase Agreement with respect to such shares as described under "Optional Early Termination" in the respective Forward Purchase Agreement.

The Forward Purchase Agreement provides that the Seller will be paid directly an aggregate cash amount (the "Prepayment Amount") equal to the product of (i) the Number of Shares as set forth in the Pricing Date Notice and (ii) the redemption price paid by PACI on the Closing Date to holders of its common stock who exercised their redemption rights in connection with the Business Combination (the "Initial Price").

The Counterparty will pay to the Seller the Prepayment Amount required under the Forward Purchase Agreement directly from the Counterparty's Trust Account maintained by Continental Stock Transfer and Trust Company holding the net proceeds of the sale of the units in PACI's initial public offering and the sale of private placement units (the "Trust Account") no later than the earlier of (a) one business day after the Closing Date and (b) the date any assets from the Trust Account are disbursed in connection with the Business Combination.

From time to time and on any date following the Business Combination (any such date, an "OET Date"), the Seller may, in its absolute discretion, terminate the Forward Purchase Agreement in whole or in part by providing written notice to the Counterparty (the "OET Notice") that specifies the quantity by which the Number of Shares shall be reduced (such quantity, the "Terminated Shares"). The effect of an OET Notice shall be to reduce the Number of Shares by the number of Terminated Shares specified in such OET Notice with effect as of the related OET Date. As of each OET Date, the Counterparty shall be entitled to an amount from the Seller, and the Seller shall pay to the Counterparty an amount, equal to the product of (x) the number of Terminated Shares and (y) the Reset Price in respect of such OET Date. The Reset Price will initially be the Initial Price, but is subject to reduction upon a Dilutive Offering Reset.

The valuation date (the "Valuation Date") for the Forward Purchase Agreement will be the earliest to occur of (a) the date that is 24 months after the Closing Date, (b) the date specified by Seller in a written notice to be delivered to the Counterparty at Seller's discretion (which Valuation Date shall not be earlier than the day such notice is effective) after the occurrence of any of (w) a VWAP Trigger Event, (x) a Delisting Event, or (y) a Registration Failure and (c) the date specified by Seller in a written notice to be delivered to Counterparty at Seller's sole discretion (which Valuation Date shall not be earlier than the day such notice is effective).

On the Cash Settlement Payment Date, which is the 70th trading day immediately following the Maturity Date (as defined in the Forward Purchase Agreement), if the Valuation Date is determined by Seller in its sole discretion as described in clause (c) of the foregoing paragraph, Seller shall pay Counterparty a cash amount equal to (1) the Number of Shares as of the Valuation Date multiplied by (2) the closing price of the Shares on the business day immediately preceding the Valuation Date.

In all other cases, Seller shall pay Counterparty a cash amount equal to (1) the Number of Shares as of the Valuation Date, which are registered for resale under an effective Registration Statement or may be transferred without any restrictions, including the requirement for the Counterparty to be in compliance with the current public information required under Rule 144(c)(1) (or Rule 144(i)(2), if applicable) or the volume and manner of sale limitations under Rule 144(e), (f) and (g) under the Securities Act, multiplied by the VWAP Price over the Valuation Period less (2) the Settlement Amount Adjustment.

The Settlement Amount Adjustment is equal to the product of (1) (a) the Maximum Number of Shares less (b) any Terminated Shares as of the Valuation Date, multiplied by (2) $1.50.

Seller has agreed to waive any redemption rights with respect to any Recycled Shares in connection with the Business Combination. Such waiver may reduce the number of shares of PACI Class A Common Stock redeemed in connection with the Business Combination, and such reduction could alter the perception of the potential strength of the Business Combination. Similarly, Seller has agreed not to vote the shares it purchases pursuant to the Forward Purchase Agreement in favor of the Business Combination. The Forward Purchase Agreement has been structured, and all activity in connection with such agreement has been undertaken, to comply with the requirements of all tender offer regulations applicable to the Business Combination, including Rule 14e-5 under the Securities Exchange Act of 1934.

The shares purchased by Seller pursuant to the Forward Purchase Agreement will have the impact of reducing the number of redemptions in connection with the shareholder vote to approve the Business Combination, which could alter the perception of the potential strength of the Business Combination.

UNAUDITED PRO FORMA CONDENSED COMBINED BALANCE SHEET
AS OF SEPTEMBER 30, 2023
(in thousands)

	Volato (Historical)	Volato Post 9/30/2023 Funding	PROOF (Historical)	Pro Forma Adjustments		Pro Forma Combined
ASSETS						
Current assets:						
Cash and cash equivalents	$ 7,912	$ 12,153	$ 490	$ 69,831	A	$ 19,439
				(1,951)	B	
				(18,772)	H	
				(50,224)	K	
Accounts receivable	2,020					2,020
Deposits on aircraft	28,783					28,783
Prepaid expenses and other current assets	5,149		123	(1,394)	G	(1,394) G
Total current assets	43,864	12,153	613	(2,510)		54,120
Non-current assets:						
Cash and marketable securities held in Trust Account			69,831	(69,831)	A	-
Forward purchase agreement				18,772	H	18,772
Equity method investment	154					154
Restricted cash	2,243					2,243
Goodwill	634					634
Deposits	3,000					3,000
Other deposits	71					71
Intangibles	1,406					1,406
Right of use asset	1,355					1,355
Property and equipment, net	1,007					1,007
Total non-current assets	9,870	-	69,831	(51,059)		**28,642**
TOTAL ASSETS	**$ 53,734**	**$ 12,153**	**$ 70,444**	**$ (53,569)**		**$ 82,762**
LIABILITIES, TEMPORARY EQUITY AND STOCKHOLDERS' EQUITY (DEFICIT)						
Accounts payable and accrued expenses	$ 10,639	$	$ 1,288	$ (1,248)	B	$ 10,679
Excise tax payable			2,210	(2,210)	L	-
Loan - related party	1,000					1,000
Accrued interest	60					60
Deposits	6,316					6,316
Operating lease liability	315					315
Other loans	22					22
Income taxes payable			2,028			2,028
Total current liabilities	18,352		5,526	(3,458)		20,420
Non-current liabilities:						
Deferred taxes	305		62			367
Operating lease liability	1,050					1,050
Long term notes payable	18,397					18,397
Total non-current liabilities	19,752		62	-		19,814
Total liabilities	**38,104**		**5,588**	**(3,458)**		**40,234**
COMMITMENTS AND CONTINGENCIES						
Temporary equity:						
Common stock subject to possible redemption			69,209	(69,209)	C	-
Preferred Seed Stock	4,585			(4,585)	E	-
Preferred Series A-1	12,050			(12,050)	E	-
Preferred Series A-2	19,906			(19,906)	E	-
Preferred Series A-3	18,456			(18,456)	E	-
Stockholders' equity (deficit):						
Common stock	7	1		6	C	22
				2	F	
				6	I	
Class A common stock			-			
Class B common stock			-			-
Preferred stock	-			-		-
Additional paid-in capital	681	12,152	-	69,203	C	82,546
				(4,353)	D	
				(703)	B	
				(2)	F	
				(1,394)	G	
				(6)	I	
				(15)	J	
				54,997	E	
				(50,224)	K	
				2,210	L	
Stock subscription receivable	(15)			15	J	
Retained earnings (Accumulated deficit)	(40,040)		(4,353)	4,353	D	(40,040)
Total equity	**(39,367)**	**12,153**	**(4,353)**	**74,095**		**42,528**

TOTAL LIABILITIES, TEMPORARY EQUITY AND STOCKHOLDERS' DEFICIT	**$ 53,734**	**$ 12,153**	**$ 70,444**	**$ (53,569)**	**$ 82,762**

UNAUDITED PRO FORMA CONDENSED COMBINED STATEMENT OF OPERATIONS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2023
(in thousands, except share and per share data)

	Volato (Historical)	PROOF (Historical)	Pro Forma Adjustments		Pro Forma Combined
Revenues	$ 41,861	$ -	$ -		$ 41,861
Cost of revenue	52,687	-	-		52,687
Gross loss	(10,826)	-	-		(10,826)
Operating costs and expenses:					
General and administrative expenses	17,397	3,512			20,909
Total operating costs and expenses	17,397	3,512	-		20,909
Loss from operations	**(28,223)**	**(3,512)**	**-**		**(31,735)**
Other income (expense):					
Gain from sale of Part 135 Certificate	387				387
Gain from sale of equity method investment	883				883
Income from equity method investments	22				22
Interest income	34	6,406	(6,406)	AA	34
Interest expense	(2,461)		591	BB	(1,870)
Other income	158				158
Total other income (expense)	**(977)**	**6,406**	**(5,815)**		**(386)**
Net income (loss) before income tax provision	**(29,200)**	**2,894**	**(5,815)**		**(32,121)**
Income tax provision		(1,318)	1,318	AA	-
Net income (loss)	$ (29,200)	$ 1,576	$ (4,497)		$ (32,121)

	Volato (Historical)	PROOF (Historical)	Pro forma Combined
Weighted average shares outstanding - Common stock	7,234,827	-	28,043,449
Basic and diluted net loss per share - Common stock	$ (4.04)	$ -	$ (1.15)
Weighted average shares outstanding - Class A and Class B common stock subject to redemption		17,215,294	
Basic and diluted net income per share - Class A and Class B common stock subject to redemption	$ -	$ 0.07	
Weighted average shares outstanding - Class A and Class B non-redeemable common stock	-	6,900,000	-
Basic and diluted net income per share - Class A and Class B non-redeemable common stock	$ -	$ 0.07	-

UNAUDITED PRO FORMA CONDENSED COMBINED STATEMENT OF OPERATIONS
FOR YEAR ENDED DECEMBER 31, 2022
(in thousands, except share and per share data)

	Volato (Historical)	PROOF (Historical)	Pro Forma Adjustments		Pro Forma Combined
Revenues	$ 96,706	$ -	$ -		$ 96,706
Cost of revenue	94,281	-	-		94,281
Gross profit	2,425	-	-		2,425
Operating costs and expenses:					
General and administrative expenses	11,609	1,737	5,000	BB	18,346
Total operating costs and expenses	11,609	1,737	5,000		18,346
Loss from operations	**(9,184)**	**(1,737)**	**(5,000)**		**(15,921)**
Other income (expense):					
Interest income	2	4,061	(4,061)	AA	2
Gain from deconsolidation of investments	581				581
Loss from equity method investments	(45)				(45)
Interest expense	(868)		249	CC	(619)
Other income	60				60
Total other income (expense)	**(270)**	**4,061**	**(3,812)**		**(21)**
Net income (loss) before income tax provision	**(9,454)**	**2,324**	**(8,812)**		**(15,942)**
Income tax provision	55	(773)	773	AA	55
Net income attributed to controlling shareholder	(9,399)	1,551	(8,039)		(15,887)
Less: net income (loss) attributable to non-controlling interests	(33)				(33)
Net income (loss)	**$ (9,366)**	**$ 1,551**	**$ (8,039)**		**$ (15,854)**

	Volato (Historical)	PROOF (Historical)	Assuming Pro forma Combined
Weighted average shares outstanding - Common stock	7,120,208	-	28,043,449
Basic and diluted net loss per share - Common stock	$ (1.32)	$ -	$ (0.57)
Weighted average shares outstanding - Class A and Class B common stock subject to redemption	-	27,600,000	-
Basic and diluted net income per share - Class A and Class B common stock subject to redemption	$ -	$ 0.05	$ -
Weighted average shares outstanding - Class A and Class B non-redeemable common stock	-	6,900,000	-
Basic and diluted net income per share - Class A and Class B non-redeemable common stock	$ -	$ 0.05	$ -

NOTES TO THE UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL STATEMENTS

Note 1 — Description of the Transaction

PACI has entered into the Business Combination Agreement with Volato and certain other entities. The base purchase price is $190 million, subject to certain adjustments, which will be paid in Class A Common Stock of PACI. The number of shares of Class A Common Stock to be issued by PACI for each outstanding share of Volato common stock on an as-converted basis is subject to an exchange ratio. The exchange ratio is determined by dividing (i) the sum of (a) the base purchase price, (b) the exercise value of Volato's outstanding in-the-money options, and (c) the aggregate amount of Series A Preferred Stock issued in the Private Financing by (ii) the sum of (x) the total number of shares of Volato common stock outstanding on an as converted basis) divided by 10 and (y) the number of shares of Volato common stock issuable upon the exercise of Volato's outstanding in-the-money options.

Note 2 — Basis of Presentation

The unaudited pro forma condensed combined financial information was prepared in accordance with Article 11 of SEC Regulation S-X as amended by the final rule, Release No. 33-10786 "Amendments to Financial Disclosures about Acquired and Disposed Businesses." The historical financial information of PACI and Volato include transaction accounting adjustments to illustrate the estimated effect of the Business Combination and certain other adjustments to provide relevant information necessary for an understanding of PACI upon consummation of the Business Combination described herein.

In October and November 2023, Volato raised an additional $12.2 million in cash of equity capital and was on the same terms as the prior issuance of the $10 million Volato Series A-1 Preferred Shares.

The pro forma condensed combined financial information as of and for the nine months ended September 30, 2023, and for the year ended December 31, 2022, have been adjusted for these material transactions.

The unaudited pro forma condensed combined financial information does not reflect the income tax effects of the transaction accounting adjustments as any change in the deferred tax balance would be offset by an increase in the valuation allowance given the companies' incurred losses during the historical periods presented.

Note 3 — Transaction Accounting Adjustments to the PACI and Volato Unaudited Pro Forma Condensed Combined Balance Sheet as of September 30, 2023

The transaction accounting adjustments included in the unaudited pro forma condensed combined balance sheet as of September 30, 2023, are as follows, after giving effect to the Volato capital raises on December 1, 2023 of $12.2 million.

(A) Reflects the reclassification of $69.8 million of cash and cash equivalents held in the Trust Account at the balance sheet date that becomes available to fund expenses in connection with the Business Combination or future cash needs of the Company.

(B) Reflects the payment of approximately $2.0 million of transaction costs.

(C) Reflects the reclassification of approximately $69.2 million of Class A Common Stock subject to possible redemption to permanent equity

(D) Reflects the reclassification of PACI's historical retained earnings.

(E) Represents mezzanine classified Preferred Stock converted to Volato common stock

(F) Represents the issuance of 19.4 million shares of PACI's Class A Common Stock to Volato equity holders as consideration for the reverse recapitalization and change in par value.

(G) Reflects the closing of deferred offering costs to additional paid in capital.

(H) Represents the recognition of the cash payments to the Seller of $18.8 million and the forward purchase agreement asset with regard to 1.7 million shares. The fair value of the forward purchase agreement asset is comprised of the Prepayment Amount and is reduced by the economics of the downside provided to the Sellers and the estimated consideration payment at the Cash Settlement Payment Date.

The forward purchase agreement asset will be remeasured at fair value with changes in earnings in the future periods. The accounting for the forward purchase agreement asset and the final fair value, are still under evaluation and may be subject to change.

The difference between the Prepayment Amount and fair value of the forward purchase agreement asset is recognized through accumulated losses as one-time charge reflecting the cost of entering into the forward purchase agreement.

(I) Represents the conversion of approximately 6.9 million Class B Common Stock shares to Class A Common Stock related to the Sponsor, PROOF.vc SPV and Blackrock.

(J) Represents the reclassification of the equity contribution receivable.

(K) Reflects actual redemptions.

(L) Reflects the reversal of excise tax as shares issued shares exceed shares redeemed during the tax year.

Note 4 — Transaction Accounting Adjustments to the PACI and Volato Unaudited Pro Forma Condensed Combined Statement of Operations for the Nine Months Ended September 30, 2023

The transaction accounting adjustments included in the unaudited pro forma condensed combined statement of operations for the nine months ended September 30, 2023 are as follows:

(AA) Reflects the elimination of interest income in the Trust Account

(BB) Reflects the elimination of the interest expense related to the Volato Convertible Notes, which were converted to shares of Volato's common stock as part of the Series A closing on July 21, 2023.

Note 5 — Transaction Accounting Adjustments to the PACI and Volato Unaudited Pro Forma Condensed Combined Statement of Operations for the Year Ended December 31, 2022

The transaction accounting adjustments included in the unaudited pro forma condensed combined statement of operations for the year ended December 31, 2022 are as follows:

(AA) Reflects the elimination of interest income in the Trust Account.

(BB) Reflects transaction costs, including (i) legal, (ii) accounting, (iii) consulting and (iv) other fees, incurred by PACI to complete the merger. Below are further details regarding the transaction costs.

Fairness Opinion	$	1,400,000
Legal	$	3,000,000
Accounting/Audit	$	250,000
Other	$	350,000
Total	$	5,000,000

(CC) Reflects the elimination of $249,000 of historical interest expense incurred on Volato's Convertible Notes, which were converted to shares of Volato's common stock at the Series A closing on July 21, 2023.

Volato Announces Closing of Business Combination with PROOF Acquisition Corp I; Secures Additional Equity Financing

Announces Closing of an Additional $12 Million of Combined Investments to Fund Business Operations and Grow Volato Fleet

Follows PROOF Stockholders' Approval of the Business Combination with Volato at Special Meeting on November 28, 2023

Shares and Warrants to Trade on the NYSE under the Symbols "SOAR" and "SOAR.WS"

December 01, 2023 04:05 PM Eastern Standard Time

ATLANTA & RESTON, Va.--(BUSINESS WIRE)--Volato, Inc., ("Volato") a leading private aviation company in the United States, and PROOF Acquisition Corp I (NYSE: PACI) ("PACI") today announced the completion of their business combination (the "Business Combination"). The combined company will now operate under the Volato brand, and its common stock and warrants will commence trading on December 4, 2023 on the New York Stock Exchange American ("NYSE American") under the new ticker symbols "SOAR" and "SOAR.WS." The Business Combination was approved at a Special Meeting of PACI shareholders held on November 28, 2023.

Concurrent with the closing of the Business Combination, PACI also announced the closing of an additional $12 million of private investments, which, along with the $14 million in Series A Preferred Equity financing completed since July 2023, were converted to common stock at the time of the closing of the Business Combination. Including these transactions and the conversion of Volato convertible debt, the total capital raised exceeds $60 million.

Matt Liotta, CEO & Co-Founder of Volato commented, "This is an exciting milestone for Volato, our customers, and our investors. We believe that this transaction provides not only the capital to accelerate our fleet growth and strategy, but also a level of transparency and institutional support that should make our product even more attractive to new fractional owners and private fliers. After founding the company in 2021 and quickly ramping to nearly $100 million of revenue in 2022, we are now positioned to build on this momentum as a public company. More importantly, we believe that our total funding and capitalization at closing provides us with sufficient capital to execute on our growth strategy and fund our path to profitability. We're thrilled to begin this new chapter and look forward to delivering more efficient, friendly, and rewarding solutions to travelers while creating value for our shareholders."

John Backus, CEO of PACI commented, "When we identified Volato as an ideal partner for PACI, we were impressed by the company's innovative business model, proven results, and highly experienced team. These attributes, in combination with PACI's deep aviation acumen and experience, help position Volato well for success as a public company. Our two teams have worked together to bring over $60 million of fresh capital to Volato, positioning the company for a strong debut. We are very pleased with this outcome and want to thank our existing and new shareholders with whom we are invested alongside."

Nicholas Cooper, Chief Commercial Officer & Co-Founder of Volato added, “This transaction and recent new investments come at an ideal time for Volato, as we see strong demand for our product in the market. The private aviation industry has undergone a secular expansion in recent years due to changes in customer behavior along with greater customer awareness of the options and solutions available for private travel. We’re excited to welcome our new investors as we continue executing on a compelling long term investment opportunity underpinned by a unique business model and revenue visibility.”

In compliance with applicable New York Stock Exchange (“NYSE”) rules, PACI will delist its shares of common stock and warrants from the NYSE in connection with consummation of the Business Combination and planned listing by the combined entity of its shares of common stock and warrants on NYSE American.

Advisors
BTIG, LLC served as financial advisor to Volato, Inc. Roth Capital Partners served as capital markets advisor to Volato, Inc. Womble Bond Dickinson (US) LLP served as legal advisor to Volato, Inc. Steptoe & Johnson LLP served as legal advisor to PROOF Acquisition Corp I. Lowenstein Sandler LLP served as legal advisor to PROOF.vc. Richards, Layton & Finger, P.A. served as legal advisor to the special committee of the PROOF Acquisition Corp I board. The special committee received a fairness opinion from LSH Partners Securities LLC (“LSH”). Baker Botts L.L.P. served as legal advisor to LSH.

About Volato
Volato is a full-service private aviation company providing modern ways to enjoy luxury private jets through innovative, efficient, and sustainable solutions. Volato provides a fresh approach to fractional ownership, aircraft management, jet card, deposit and charter programs. Volato’s fractional programs uniquely offer flexible hours and a revenue share for owners in a fleet of HondaJets, which are optimized for missions of up to four passengers. For more information visit www.flyvolato.com.

All Volato Part 135 charter flights are operated by its DOT/FAA-authorized air carrier subsidiary (G C Aviation, Inc. d/b/a Volato) or by an approved vendor air carrier.

About PROOF Acquisition Corp I
PACI is a blank check company incorporated as a Delaware corporation for the purpose of effecting a merger, stock exchange, asset acquisition, reorganization or similar business combination with one or more businesses. PACI established a number of criteria and guidelines in its initial public offering to identify a potential business combination partner, including compelling long-term growth prospects, attractive competitive dynamics, consolidation opportunities, and products or services with large total addressable markets. The key business characteristics PACI focused on in identifying a potential business combination partner included the potential for disruptive technology or business model; attractive returns on invested capital; significant streams of recurring revenue; operational improvement opportunities; attractive steady-state margins, incremental margins, and attractive free cash flow characteristics. For more information about PACI, visit www.proof-paci.com/.

Forward Looking Statements
Some statements in this press release may be considered “forward-looking statements” for purposes of the United States federal securities laws with respect to the Business Combination between Volato and PACI, including statements regarding the future financial condition and performance of Volato, and the expected financial impacts of the Business Combination (including future revenue and pro forma enterprise value), markets, and expected future growth and market opportunities. Forward-looking statements generally relate to management’s current expectations, hopes, beliefs, intentions, strategies, or projections about future events or PACI or Volato’s future financial or operating performance. For example, statements regarding anticipated growth in the industry in which Volato operates and anticipated growth in the demand for Volato’s services, projections of Volato’s future financial results or other metrics, and ownership of the combined company following the closing of the Business Combination are forward-looking statements. The words “anticipate,” “believe,” “continue,” “could,” “estimate,” “expect,” “intends,” “may,” “might,” “plan,” “possible,” “potential,” “predict,” “pro forma,” project,” “should,” “would,” and similar expressions may identify forward-looking statements, but the absence of these words does not mean that a statement is not forward-looking. Forward-looking statements are subject to risks, uncertainties, and other factors which could cause actual results to differ materially from those expressed or implied by the forward-looking statements. You should not rely on these forward-looking statements as predictions of future events.

Forward-looking statements are based upon estimates and assumptions that, while considered reasonable by management of PACI and Volato, are inherently uncertain. Factors that may cause actual result to differ from current expectations include, but are not limited to: the ability to meet stock exchange listing standards following consummation of the Business Combination; the risk that the Business Combination disrupts current plans and operations of Volato as a result of the announcement and consummation of the Business Combination; the ability to recognize the anticipated benefits of the Business Combination, which may be affected by, among other things, competition, the ability of the combined company to grow and manage growth profitably, maintain relationships with customers and suppliers and retain its management and key employees; the costs related to the Business Combination; changes to existing applicable laws or regulations; the possibility that Volato or the combined company may be adversely affected by economic, business, or competitive factors; Volato’s estimates of expenses and profitability; the evolution of the markets in which Volato competes and Volato’s ability to enter new markets effectively; the ability of Volato to implement its strategic initiatives and continue to innovate its existing services; the impact of government and other responses to public health crisis such as pandemics on Volato’s business; and other risks and uncertainties set forth in the section entitled “Risk Factors” and Cautionary Note Regarding Forward-Looking Statements in PACI’s final prospectus dated November 13, 2023 relating to its initial public offering, and those risk factors set forth in PACI’s Annual Report on Form 10-K, its subsequent Quarterly Reports on Form 10-Q, the proxy statement/prospectus related to the transaction, when it becomes available, and other documents filed (or to be filed) by PACI from time to time with the SEC.

Forward-looking statements speak only as of the date they are made. Investors are cautioned not to put undue reliance on forward-looking statements, and Volato and PACI assume no obligation and do not intend to update or revise these forward-looking statements, whether as a result of new information, future events or otherwise, except as required by securities and other applicable laws.

No Offer or Solicitation
This press release is for informational purposes only and shall neither constitute an offer to sell nor the solicitation of an offer to buy any securities, nor a solicitation of a proxy, vote, consent or approval in any jurisdiction in connection with the Business Combination, nor shall there be any sale of securities in any jurisdiction in which the offer, solicitation or sale would be unlawful prior to the registration or qualification under the securities laws of any such jurisdictions. No offering of securities shall be made except by means of a prospectus meeting the requirements of Section 10 of the Securities Act of 1933, as amended, or an exemption therefrom.

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