



March 31, 2017

*By Hand Delivery*

Jeffrey R. Allen, Esq.  
Senior Assistant Attorney General  
Chief, Transportation Section  
Office of the Attorney General  
202 North Ninth Street  
Richmond, Virginia 23219

Production of Documents/  
Line of Credit Note to People Express Airlines, Inc.

Dear Jeff,

As we have discussed and in response to your letter, dated March 16, 2017, we are providing you with our first installment of documents relating to TowneBank's credit facility with People Express Airlines, Inc. We have received a letter, dated March 8, 2017, from Mr. George Wallace, Chairman of the Peninsula Airport Commission, authorizing us to make available to you copies of the documents and records of the Peninsula Airport Commission (the "PAC") in our possession relating to the line of credit facility with People Express Airline ("PEX") and guaranteed by the PAC. A copy of Mr. Wallace's letter is attached.

Enclosed with this letter are copies of the following documents:

1. Commitment Letter, dated June 4, 2014, to PEX.
2. Line of Credit Agreement, dated as of June 18, 2014, among PEX, PAC and TowneBank.
3. Line of Credit Note, dated June 18, 2014, from PEX.
4. Commercial Guaranty, whereby the PAC guaranteed the full payment and performance by PEX of the credit facility.
5. Assignment of Deposit Account, dated June 18, 2014, whereby the PAC assigned to TowneBank three deposit accounts as collateral for the credit facility.
6. The borrower's certificate from PEX.
7. Indemnity Agreement, dated as of June 18, 2014, between PEX and the PAC.
8. Legal opinion from Jones, Blechman, Woltz & Kelly, counsel to the PAC.
9. Legal opinion from Kaufman & Canoles, counsel to PEX.
10. Legal opinion from Patten, Wornom, Hatten & Diamonstein, L.C., counsel to TowneBank.
11. Notice of Default to PEX by letter, dated January 27, 2015, from Patten, Wornom, Hatten & Diamonstein.

We will follow-up with another installment of document production next week.

Please do not hesitate to call me if you have any questions.

Sincerely,

George P. Whitley  
Senior EVP/Chief Legal Officer