

UNITED STATES BANKRUPTCY COURT
DISTRICT OF MINNESOTA

In re:

Bky. Case No. 08-45136 (RJK)

Petters Aviation, LLC,

Chapter 11

Debtor.

Elite Landings, LLC,

Bky. Case No. 08-45210 (RJK)

Debtor.

Chapter 11

**AMENDED
DEBTORS' JOINT DISCLOSURE STATEMENT
DATED MAY 20, 2010**

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EXHIBITS

Exhibit A - Copy of Proposed Plan of Reorganization

Exhibit B - Summary of Assets of Debtors

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Exhibit E - Summary of Claims

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I. INTRODUCTION

This Disclosure Statement contains information about Petters Aviation, LLC and Elite Landings, LLC (the “Debtors”) and describes the Debtors’ Joint Plan of Liquidation dated April 6, 2010 (the “Plan”). A complete copy of the Plan is attached to this Disclosure Statement as **Exhibit A**. The confirmed Plan is the controlling document. It supersedes any perceived conflict with any statements in this disclosure statement.

Elite Landings is a wholly owned subsidiary of Petters Aviation. Petters Aviation is a wholly owned subsidiary of Thomas Petters, Inc., which is, in turn, is owned 100% by Thomas J. Petters, individually.

On October 6, 2008, in the case of *United States of America v. Thomas Joseph Petters, et al.*, an Order for Entry of Preliminary Injunction, Order Appointing Receiver, and Other Equitable Relief was entered in the United States District Court for the District of Minnesota, Civil Case No. 08-SC-5348 (ADM/JSM). Among other provisions, the order appointed Douglas A. Kelley as receiver of certain entities described in the order. The entities included Petters Company, Inc., Petters Group Worldwide, LLC and any affiliates, subsidiaries, divisions, successors or assigns owned 100% or controlled by the foregoing, but excluded Thomas Petters, Inc. and its subsidiaries. Accordingly, MN Airline Airlines, LLC dba Sun Country Airlines, Petters Aviation, LLC and Elite Landings, LLC were among the entities excluded from the receivership in the October 6, 2008 order.¹

On October 6, 2008, Petters Aviation, LLC filed its voluntary Chapter 11 petition in the United States Bankruptcy Court for the District of Minnesota. On October 9, 2008, Elite Landings, LLC filed its voluntary Chapter 11 petition in the United States Bankruptcy Court for the District of Minnesota.

In addition, on October 6, 2008, MN Airlines, LLC dba Sun Country Airlines (Bky. Case No. 08-35197) and MN Airline Holdings, Inc. (Bky. Case No. 08-35198) filed voluntary Chapter 11 petitions in the United States Bankruptcy Court for the District of Minnesota. Please refer to Section II.F. of this disclosure statement for a further detailed description of the consequences of the appointment of a receiver and the filing of the Chapter 11 petitions.

The proposed distributions under the Plan are discussed in this Disclosure Statement. General unsecured creditors are classified in Classes 10 and 11, and will receive distributions to the extent funds are available from the liquidation of various assets of the Debtors’ estates. These assets include cash on hand as of the date of confirmation, and other cash or cash equivalents generated by any distributions to the

¹ The October 6, 2008 district court order was subsequently amended and restated. Douglas Kelley is now designated as the receiver for all entities defined as “defendants.” This defined term includes Thomas Petters, Inc. and its subsidiaries. See Second Amended Order for Entry of Injunction, Appointment of Receiver and Other Equitable Relief entered December 8, 2008 in *USA v. Petters*, Docket No. 127.

Debtors on account of claims against other entities, including Sun Country Airlines and other possible sources of funds as described in more detail below. Any distributions of holders of allowed claims in Classes 10 and 11 will depend upon amounts collected and the costs incurred in collecting those amounts, as well as the relative priorities of the holders of allowed unsecured claims *vis a vis* holders of secured claims, priority claims and administrative expense claims. Details of the possible sources of payment to creditors and other payments in the Plan are found in part II. F. of this Disclosure Statement.

The Debtors urge that creditors vote in favor of the Plan. For the reasons set forth in this Disclosure Statement, the Debtors believe that the Plan is better than the alternatives of dismissal of the case or liquidation under Chapter 7 of the Bankruptcy Code.

A. Purpose of This Document

This Disclosure Statement describes:

the Debtors and significant events during the bankruptcy case,

how the Plan proposes to treat claims of the type you hold (*i.e.*, what you will receive on account of your claim if the Plan is confirmed),

who can vote on or object to the Plan,

what factors the Bankruptcy Court (the "Court") will consider when deciding whether to confirm the Plan,

why the Debtors believe that the Plan is feasible, and

the effect of confirmation of the Plan.

Be sure to read the Plan as well as the Disclosure Statement. This Disclosure Statement describes the Plan, but it is the Plan itself that will, if confirmed, determine your rights.

B. Deadlines for Voting and Objecting; Date of Plan Confirmation Hearing

The Court has not yet confirmed the Plan described in this Disclosure Statement. This section describes the procedures pursuant to which the Plan will or will not be confirmed.

1. Time and Place of the Hearing to Confirm the Plan

The hearing at which the Court will determine whether to confirm the Plan will take place on _____, 2010, at _____ .m., before the Honorable

Robert J. Kressel, in Courtroom 8W, United States Courthouse, 300 South Fourth Street, Minneapolis, Minnesota 55415.

2. *Deadline For Voting to Accept or Reject the Plan*

If you are entitled to vote to accept or reject the Plan, record your vote on the enclosed ballot and return the ballot in the enclosed envelope to [_____ **insert address**]. See section IV.A. below for a discussion of voting eligibility requirements.

Your ballot must be received by _____, 2010 or it will not be counted.

3. *Deadline For Objecting to the Confirmation of the Plan*

Objections to confirmation of the Plan must be filed with the Court and served by _____, 2010 upon:

James A. Rubenstein, Esq.
Cass S. Weil, Esq.
Moss & Barnett, A Professional Association
4800 Wells Fargo Center
90 South Seventh Street
Minneapolis, MN 55402
Phone: (612) 877-5000

and

Robert T. Kugler, Esq.
Leonard, Street & Deinard, P.A.
150 South Fifth Street
Suite 2300
Minneapolis, MN 55402
Phone: (612) 335-1645

4. *Identity of Person to Contact for More Information*

If you want additional information about the Plan, you should contact:

James A. Rubenstein, Esq.
or
Cass S. Weil, Esq.
Moss & Barnett, A Professional Association
4800 Wells Fargo Center
90 South Seventh Street
Minneapolis, MN 55402
Phone: (612) 877-5000
Rubenstein@moss-barnett.com
weilc@moss-barnett.com

C. Disclaimers

1. ***The Court has approved this Disclosure Statement as containing adequate information to enable parties affected by the Plan to make an informed judgment about its terms. The Court has not yet determined whether the Plan meets the legal requirements for confirmation, and the fact that the Court has approved this Disclosure Statement does not constitute an endorsement of the Plan by the Court, or a recommendation that it be accepted.***

2. ANY REPRESENTATIONS OR INDUCEMENTS MADE FOR THE PURPOSE OF SOLICITING YOUR ACCEPTANCE, OTHER THAN THOSE IN THIS DISCLOSURE STATEMENT, SHOULD NOT BE RELIED UPON, AND ANY SUCH ADDITIONAL REPRESENTATIONS OR INDUCEMENTS SHOULD BE REPORTED TO DEBTORS' COUNSEL OR TO THE UNITED STATES TRUSTEE, WHO WILL, IF NECESSARY, CONVEY THIS INFORMATION TO THE BANKRUPTCY COURT FOR SUCH ACTION AS IS APPROPRIATE.

3. THE FINANCIAL INFORMATION CONTAINED IN THIS DISCLOSURE STATEMENT HAS NOT BEEN INDEPENDENTLY AUDITED. ALL REPRESENTATIONS AND FORECASTS ARE MADE IN GOOD FAITH AND ARE INTENDED TO BE AS COMPLETE AND AS ACCURATE AS POSSIBLE. DEBTORS' COUNSEL HAS NOT INDEPENDENTLY VERIFIED ANY OF THE INFORMATION SET FORTH IN THIS DISCLOSURE STATEMENT.

II. BACKGROUND

A. Description and History of the Debtors

Petters Aviation was formed on February 17, 2005 as a Delaware limited liability company. Its initial purpose was to manage and operate a 727 jet aircraft, which it still owns. It acquired an indirect ownership interest in Sun County Airlines on or about October 31, 2006, when Petters Aviation became part owner of MN Airline Holdings, Inc. At the time, the other owners were two entities formed by Whitebox Advisors known as Sun Minnesota Foreign Holdings, LLC and Sun Minnesota Domestic Holdings, LLC. Shortly thereafter, certain minority investors also became shareholders of MN Airline Holdings, Inc. MN Airline Holdings owns 100% of MN Airlines, LLC, which is Sun Country Airlines. On or about November 16, 2007, the Whitebox entities sold their interests in MN Airline Holdings to Petters Aviation. As a result, Petters Aviation now owns 100% of the voting stock and 80.4% of the equity of MN Airline Holdings, Inc.

Petters Aircraft Leasing, LLC, or PAL, was formed as a wholly-owned subsidiary of Petters Aviation on July 11, 2007. Its purpose was to enter into finance lease agreements with CIT Leasing to enable Sun Country to acquire and use two 737-800 aircraft. PAL subleased the aircraft to Sun Country Airlines on a ten-year lease.

Elite Landings, LLC, a Delaware limited liability company, was formed on December 6, 2006 as a subsidiary of Petters Aviation for the purpose of engaging in the resale of airbus aircraft and operation of an executive jet charter service.

Southwest Aviation, Inc. was acquired by Petters Aviation on July 31, 2008. It was an FAA certified air carrier operating under FAA Part 135 authority and provided business and leisure air charter services to all parts of the continental United States, Alaska, Mexico and the Caribbean from its headquarters in Marshall, Minnesota. It also provided aircraft management and maintenance services and consulted on aircraft acquisition, ownership and operations for private parties. At the time of the acquisition, the intention was to integrate an established air charter and fix-based operation into Petters Aviation's business of high-end, executive charter and sale of airbus aircraft.

Prior to Petters Aviation's petition date of October 6, 2008, Petters Aviation held title to the following assets:

- a Boeing 727-100 VIP aircraft, bearing FAA registration number N706JP;

- approximately 80.4% of the equity and 100% of the voting stock of MN Airline Holdings, which in turn owned 100% of Sun Country Airlines;

- 100% of the stock of Southwest Aviation, Inc.;

- 100% of the membership interests of Petters Aircraft Leasing, LLC;

- 100% of the membership interests of Elite Landings, LLC;

- a Challenger 601 aircraft, bearing FAA registration number N227PE; and

- certain miscellaneous equipment incidental to its operations.

It subleased hangar facilities at the Minneapolis-St. Paul International Airport and provided corporate aircraft hangaring, an executive jet center, and limited fixed base operator services from this facility. It also managed and oversaw the daily operations of Elite Landings, PAL, and Southwest Aviation.

Prior to Elite Landings' petition date of October 9, 2008, Elite Landings was in the business of purchasing Airbus Corporate Jet aircraft from Airbus S.A.S. and reselling them. It operated in connection and cooperation with Airbus S.A.S. for the marketing and resale of such aircraft in North America. Following public disclosure of the United States government's actions against Thomas J. Petters, but Prior to Elite Landings' petition date, Airbus S.A.S. and Elite Landings agreed to cancel several purchase agreements pending between the parties. As a result, Elite Landings received a refund of its down payments on six Airbus aircraft in the amount of \$9,500,000.00. Elite Landings is holding the balance of the refund in a separate account at this time.

Primarily because of the adverse consequences of the charges against Thomas J. Petters and his affiliates, Elite Landings is no longer in the business of selling Airbus aircraft, and the executive jet center is no longer in operation.

The President and CEO of both Petters Aviation and Elite Landings is T. Jay Salmen. Other than his involvement with Petters Aviation and its subsidiaries, he has

no other position as officer, director, or member of any of the other Petters-related entities. As of January 1, 2010, his compensation changed from a salary to an hourly basis. The Debtors' only other employee is Vincent Fusco, their Chief Financial Officer. Mr. Fusco is also compensated on an hourly basis.

B. Events Leading to Chapter 11 Filing

Petters Aviation and Elite Landings (as well as Sun Country Airlines and MN Airline Holdings) filed Chapter 11 petitions in response to civil and criminal actions taken against Thomas J. Petters, including the appointment of a receiver on October 6, 2008. These actions suddenly terminated a practice of intercompany transfers that Petters Aviation and Sun Country Airlines depended on from time to time. The purpose of the Chapter 11 filings was to give Petters Aviation and its subsidiaries an opportunity to attempt in an orderly fashion either to wind down or continue their operations, with primary focus on Sun Country Airlines and its viability.

C. Significant Events During the Bankruptcy Case

1. On October 10, 2008, the United States Trustee appointed an official committee of unsecured creditors. That committee now consists of:

Eastern Aviation Fuels
Contact Person: Robert Stallings
601 McCarthy Boulevard
New Bern, NC 28562
Phone: (252) 633-0066

Hawthorne Corporation
Contact Person: Steven Levesque
3955 Fabor Place Drive, Suite 301
North Charleston, SC 29405
Phone: (843) 553-2203

And its counsel is:

Robert T. Kugler, Esq.
Leonard, Street & Deinard, P.A.
150 South Fifth Street
Suite 2300
Minneapolis, MN 55402
Phone: (612) 335-1645

2. On November 26, 2008, the bankruptcy court entered an order granting the application of the creditors committee to retain Harrow & Associates as its financial consultants.

3. On October 23, 2008, the court granted Chase Equipment Leasing LLC relief from the automatic stay to permit it to repossess and foreclose the Challenger 601 aircraft owned by Petters Aviation.

4. On October 27, 2008, the Court approved the application of Moss & Barnett, A Professional Association to serve as counsel to the Debtors in these cases.

5. In an order dated October 31, 2008 entered in both cases, the bankruptcy court authorized intercompany transfers of funds from Elite Landings to Petters Aviation to fund joint administrative expenses in accordance with the budget submitted by the Debtors. Orders have been entered periodically since then renewing this authorization. The authorization currently in effect expires on May 31, 2010.

6. On October 31, 2008, Petters Aviation filed a motion to approve the sale of Petters Aviation's stock in Southwest Aviation, Inc. (Docket No. 51). The court granted that motion by order dated November 14, 2008. The sale closed on November 17, 2008. Petters Aviation received \$200,000 in cash and release of claims of approximately \$3,191,000 in consideration for the sale. The cash proceeds are held in a separate segregated account pending further order of the court.

7. On November 26, 2008, Elite Landings filed a motion seeking court authority to loan funds to Sun Country Airlines, which is also a debtor-in-possession in a chapter 11 bankruptcy case currently pending in this district. The court granted that motion by order dated December 17, 2008. Elite Landings loaned Sun Country \$1 million. The loan has since been repaid with interest.

8. Petters Aviation sold several items of personal property (office furniture, computer monitors, aircraft-related equipment, etc.) pursuant to a court order entered on February 11, 2009. Docket No. 117. The sale proceeds of \$50,000, are being held in a separate segregated operating account pending further order of the court.

9. Effective on or about June 1, 2009, Sun Country Airlines rejected its operating subleases with PAL. Effective on July 15, 2009, PAL and C.I.T. Leasing Corporation entered into a strict foreclosure agreement, which, among other things, provided for (1) return of the two Boeing 737-800 aircraft to C.I.T., (2) satisfaction of all claims of C.I.T. against PAL, (3) payment to PAL of \$3 million, and (4) an assignment of certain claims of C.I.T. against Sun Country Airlines. PAL is managed and operated by Petters Aviation and has no employees or offices of its own. The cash proceeds of the settlement with CIT are being held by Douglas Kelley, receiver, pending further order of the court.

10. On September 2, 2009, the court approved Petters Aviation's motion to sell its Boeing 727-100 VIP aircraft free and clear of all liens, claims, encumbrances, and interests pursuant to an auction. No bids were made at the auction, and Petters Aviation continues to own this aircraft.

11. On October 12, 2009, Petters Aviation filed a motion to approve a stipulation entered into between and among Petters Aviation, MinnWest Bank Metro

Champlin and Priester Aviation, Inc. The stipulation provides, in part, that Priester Aviation will make certain records pertaining to the Boeing 727-100 VIP aircraft available for inspection by any prospective purchasers of the aircraft. The court granted Petters Aviation's motion to approve the stipulation by order dated November 12, 2009. Both Priester Aviation and MinnWest Bank Metro Champlin claim liens against the Boeing 727-100 VIP aircraft that will attach to its future net sale proceeds to the extent allowed. Petters Aviation disputes the claimed liens.

12. The validity, priority, and extent of the liens claimed by Priester Aviation and MinnWest Bank Metro Champlin against the aircraft and the aircraft records are the subject of a pending adversary proceeding entitled *MinnWest Bank Metro, a Minnesota State Banking Corporation, Plaintiff v. Petters Aviation, LLC and Priester Aviation, LLC*, Adv. No. 09-04201. Recently, Petters Aviation and MinnWest Bank Metro reached an agreement the main points of which are that Petters Aviation will convey the Boeing 727 aircraft, its engines and other accoutrements to MinnWest Bank Metro, subject to the lien claim of Priester Aviation, MinnWest Bank Metro will withdraw its entire claim against Petters Aviation and pay \$30,000 to Petters Aviation. A hearing is scheduled for court approval of the stipulation on June 2, 2010 at 9:30 a.m.

13. On April 12, 2010, the Whitebox entities filed an adversary proceeding seeking a judgment, among other things, declaring and directing that Petters Aviation's claim against the Sun Country entities is subordinated to the Whitebox entities' claims. Petters Aviation intends to contest the adversary proceeding on any available grounds including, without limitation, the fact that the purported subordination is an avoidable preferential transfer with respect to the estate of MN Airlines, LLC, a fraudulent transfer as to Petters Aviation and is unenforceable because it was not agreed to by Petters Aviation.

14. In orders dated May 5, 2010, the claims of Richard Hettler against the debtors were disallowed. Accordingly, his filed proofs of claim are not dealt with in the revised disclosure statement or plan.

15. On May 7, 2010, the Whitebox entities filed a motion to convert the Petters Aviation Chapter 11 case to a Chapter 7 case. A hearing on this motion is scheduled for Wednesday, June 2, 2010 at 9:30 a.m. Petters Aviation intends to oppose the motion and instead, pursue confirmation of the Plan described in this Disclosure Statement.

D. Avoidable Transfers

The Debtors intend to pursue preference, fraudulent conveyance and other avoidance actions available to them under the Bankruptcy Code. Financial records of both Thomas J. Petters personally and the entities associated with him were seized in connection with the pending criminal and civil proceedings. The transactions between various companies owned or controlled by Thomas Petters prior to the federal government actions were convoluted with many interrelated transfers of funds from one entity to another. The Debtors have been investigating the validity of the obligations

claimed to be owed to other Petters entities, as well as whether transfers from Elite Landings and Petters Aviation to related entities may be recoverable. A report of the forensic accountants hired by Douglas Kelley, the receiver, is not yet available and it is uncertain when it will become available. It is hoped that the report will clarify the nature of intercompany transactions. If the report or other evidence discloses a basis for bringing fraudulent transfer, preference or other avoidance actions the Debtors intend to investigate and pursue them if warranted.

On or about November 16, 2007, Petters Aviation acquired from the Whitebox entities all of their ownership interests in MN Airline Holdings, Inc., as well as certain evidence of indebtedness from MN Airline Holdings to the Whitebox entities. Petters Aviation paid \$1,000,000 cash and executed a Non-Recourse Promissory Note dated November 16, 2007 in the amount of \$12,500,000. Petters Aviation is investigating whether this is a fraudulent transfer and reserves the right to assert such a claim, as well as challenge the validity of the claim of the Whitebox entities based on the non-recourse promissory note on any other applicable grounds.

As described in more detail in part C.13 above, Petters Aviation is also examining possible fraudulent transfer and preference claims in connection with the contention that its claim against Sun Country is subordinated to the claim of the Whitebox entities.

The Debtors are continuing to investigate other pre-petition transfers that may be challenged as avoidable under the Bankruptcy Code and reserve the right to bring such actions within the time limits imposed by the Bankruptcy Code and any order of the bankruptcy court.

E. Claims Objections

Except to the extent that a claim is already allowed pursuant to a final non-appealable order, the Debtors reserve the right to object to claims. The Summary of Claims annexed to this disclosure statement as **Exhibit E** contains a description of the Debtors' present intention with respect to objecting to claims. The Debtors, upon further investigation, may determine in their discretion whether to object to any and all claims made against them, regardless of how they are characterized on Exhibit E. Therefore, even if your claim is allowed for voting purposes, you may not be entitled to a distribution if an objection to your claim is later upheld. The procedures for resolving disputed claims are set forth in Article V of the Plan.

F. Current and Historical Financial Conditions

1. Current Assets of Petters Aviation.

During the Chapter 11 case, Petters Aviation has managed its own affairs and those of its subsidiaries other than MN Airline Holdings, Inc. and Sun Country. The status of its assets at the time of this disclosure statement are as follow:

- a. Boeing 727-100 VIP Aircraft, I.D. No. N706JP. This aircraft has a well-appointed luxury interior configured for executive and small group charter use, but is not airworthy. Petters Aviation attempted to conduct an auction for the aircraft, with a minimum bid of \$700,000 and received no bids. Subsequent attempts to hire a broker or find a buyer for the aircraft have been unavailing. MinnWest Bank claims a security interest in the aircraft for a debt of approximately \$1,000,000, and Priester Aviation claims a security interest in the aircraft for a debt of approximately \$296,000. Petters Aviation disputes these claims.
- b. Claims Against MN Airline Holdings, Inc. in the Amount of \$8,181,818.00. These claims are based on three "Secured Convertible Notes" dated October 31, 2006. Two of these notes were originally executed in favor of Sun Minnesota Foreign Holdings, LLC and Sun Minnesota Domestic Holdings, LLC and were sold to Petters Aviation as of November 16, 2007 in connection with the acquisition by Petters Aviation of the stock previously held by the Whitebox entities in MN Airline Holdings, Inc. The value of these claims cannot be determined until a Chapter 11 plan for MN Airline Holdings, Inc. and Sun Country is proposed and confirmed and any dispute as to the allowance of these claims is resolved.
- c. Petters Aviation, LLC Claim Against Sun Country. Petters Aviation, LLC's claim originally filed in the amount of \$34,397,321.99, is to be reduced to approximately \$25,800,000.00 based on accounting information currently available. It consists of:
 - i. a claim based on a certain Amended and Restated Revolving Promissory Note originally dated as of October 31, 2006 from Sun Country to Petters Aviation, with a face amount of \$15 million. The amount due as of October 5, 2008 was a principal amount of \$14,943,396.70 and accrued interest of \$2,635,722.87. Sun Country, as a debtor-in-possession, and its official committee of unsecured creditors have agreed not to object to Petters Aviation's claim up to the amount of \$15,145,133.00. Payment of this claim, to the extent allowed in the Sun Country case, is dependent upon a Chapter 11 plan or other proceeds from the reorganization or liquidation of Sun Country and MN Airline Holdings, Inc. The Whitebox entities have asserted that any distribution to Petters Aviation on account of the October 31, 2005 Amended and Restated Revolving Promissory Note is subordinated to their claim in the Sun Country case. If successful in this claim, see Section C.13 above, the Whitebox entities would seek to receive 100% of any distribution to Petters Aviation based upon this note.
 - ii. The balance is the \$8,181,818.00 claim based on three October 31, 2006 notes signed by Sun Country's parent. The collateral for

these notes is the stock in MN Airline Holdings, Inc. purchased by Petters Aviation from the Whitebox entities in November, 2007.

- d. Sale Proceeds. \$250,000.00 in sale proceeds from the court-approved sales by Petters Aviation of Southwest Aviation, Inc. and certain miscellaneous aircraft-related equipment. MinnWest Bank claims a security interest in these assets. If Petters Aviation is successful in its objections to the MinnWest Bank claim and its claimed security interest in these assets, the funds will be available to fund payments under the plan.
- e. Claim Against Elite Landings, LLC. Petters Aviation, LLC holds an undisputed claim of \$9,500,000.00 against Elite Landings, LLC. It is the only undisputed claim against Elite Landings. Elite Landings' only other scheduled creditors are Petters Company, Inc., with a disputed claim of \$500,000, which is subject to setoff, and a claim of Thomas J. Petters, Inc. in the amount of \$2,000,000, which is also disputed and subject to setoff. Other filed claims consist of claims filed by several other Petters entities in an undetermined amount and a claim of Hawthorne Corp. in the amount of \$106,409.34. Elite intends to object to all such claims.
- f. Petters Aircraft Leasing, LLC. At this time, PAL has three primary assets:
 - i. \$3 million paid by CIT in connection with the Strict Foreclosure Agreement;
 - ii. a claim against Sun Country Airlines in the amount of \$31,649,107.99 based upon additional rent due to PAL under operating subleases for Aircraft N810SY and N811SY. This amount includes an administrative rent claim of \$2,120,000. It is anticipated that this claim will be the subject of an objection and an adversary proceeding seeking to disallow the claim, equitably subordinate it, or recharacterize it as an equity investment and not a debt; and
 - iii. a claim assigned to PAL by CIT Leasing Corporation. As of June 8, 2009, this claim was calculated by CIT to be \$66,616,572.22. Upon information and belief, this amount was calculated based upon a formula derived from the finance lease agreements between CIT and PAL for the aircraft identified as N810SY and N811SY. Petters Aviation does not know the current value of this claim. It is anticipated that this claim will be the subject of an objection and an adversary proceeding seeking to disallow the claim, equitably subordinate it, or recharacterize it as an equity investment and not a debt.

2. Current Assets of Elite Landings.

The assets of Elite Landings are as follow:

- a. Approximately \$8 million, consisting of the remaining proceeds of deposits refunded by Airbus at or about the time of the filing of Elite Landings' Chapter 11 bankruptcy.
- b. A claim against Sun Country in the face amount of \$3 million based on money loaned to Sun Country through Petters Aviation. This amount is included in Petters Aviation's claim against Sun Country
- c. Claim against PAL based on an intercompany loan in the amount of \$1,344,489.58.

III. SUMMARY OF THE PLAN OF REORGANIZATION AND TREATMENT OF CLAIMS AND EQUITY INTERESTS

A. What is the Purpose of the Plan of Reorganization?

As required by the Bankruptcy Code, the Plan places claims and equity interests in various classes and describes the treatment each class will receive. The Plan also states whether each class of claims or equity interests is impaired or unimpaired. If the Plan is confirmed, your recovery will be limited to the amount provided by the Plan.

B. Unclassified Claims

Certain types of claims are automatically entitled to specific treatment under the Bankruptcy Code. They are not considered impaired, and holders of such claims do not vote on the Plan. Holders of non-voting claims may, however, object to confirmation of the Plan. As such, the Debtors have *not* placed the following claims in any class:

1. Administrative Expenses

Administrative expenses are costs or expenses of administering the Debtors' Chapter 11 cases, which are allowed under § 507(a)(2) of the Bankruptcy Code. The Bankruptcy Code requires that all administrative expenses be paid on the effective date of the Plan, unless a particular claimant agrees to a different treatment.

The following chart lists the Debtors' estimated unpaid administrative expenses as of the effective date of the Plan, and their proposed treatment under the Plan:

<u>Type</u>	<u>Estimated Amount Owed at Confirmation</u>	<u>Proposed Treatment</u>
Expenses Arising in the Ordinary Course After the Petition Date	\$15,000.00	Paid in full on the effective date of the Plan, or according to terms of obligation if later.
Professional Fees, as approved by the Court	\$30,000.00	Paid in full on the effective date of the Plan, or according to separate written agreement, or according to court order if such fees have not been approved by the Court on the effective date of the Plan.
Clerk's Office Fees		Paid in full on the effective date of the Plan.
Other administrative expenses		Paid in full on the effective date of the Plan or according to separate written agreement.
Office of the U.S. Trustee Fees		Paid in full on the effective date of the Plan.
TOTAL	\$45,000.00	

2. *Priority Tax Claims*

Priority tax claims are unsecured income, employment, and other taxes described by § 507(a)(8) of the Bankruptcy Code. Unless the holder of such a § 507(a)(8) priority tax claim agrees otherwise, it must receive the present value of such claim, in regular installments paid over a period not exceeding five years from the order of relief.

The Debtors do not believe that they have any § 507(a)(8) priority tax claims.

C. *Classes of Claims and Equity Interests*

The following are the classes set forth in the Plan, and the proposed treatment that each class will receive under the Plan:

1. *Classes of Secured Claims*

Allowed Secured Claims are claims secured by property of the Debtors' bankruptcy estate (or that are subject to setoff) to the extent allowed as secured claims under § 506 of the Bankruptcy Code. If the value of the collateral or setoffs securing the

creditor's claim is less than the amount of the creditor's allowed claim, the deficiency is classified as a general unsecured claim.

The following chart lists all classes containing Debtors' secured pre-petition claims and their proposed treatment under the Plan:

Class	Impairment	Treatment
Class 1 - Priority claims other than administrative expense claims and priority tax claims	Unimpaired	Each holder of a Class 1 priority claim will be paid in full, in cash, upon the later of the effective date of this plan, or on the date on which such claim is allowed by a final non-appealable order, or pursuant to an agreement with the holder of a priority claim and the debtors.
Class 2 - Secured claim of Chase Equipment Leasing, Inc.	Unimpaired	The legally equitable and contractual rights arising from the secured claim of Chase Equipment Leasing, Inc. are unimpaired. This claim was satisfied by sale by Chase Equipment Leasing, Inc. of the aircraft and receipt of the proceeds. Any allowed amount of any deficiency will be treated as a general unsecured claim in Class 8.
Class 3 - Secured claim of MinnWest Bank Metro Champlin	Unimpaired	The holder of this secured claim, to the extent allowed shall be unimpaired within the meaning of Section 1124 of the Bankruptcy Code on the effective date. The failure to object to any other unsecured claim in the case shall be without prejudice to the debtors' or the reorganized debtors' right to contest or otherwise defend against such claim in an appropriate forum when and if such claim is sought to be enforced by the holder of the other unsecured claim.
Class 4 - Secured claim of Priester Aviation, LLC	Unimpaired	The holder of this secured claim, to the extent allowed shall be unimpaired within the meaning of Section 1124 of the Bankruptcy Code on the effective date. The failure to object to any other unsecured claim in the case shall be without prejudice to the debtors' or the reorganized debtors' right to contest or otherwise defend against such claim in an appropriate forum when and if such claim is sought to be enforced by the holder of the other unsecured claim.

Class	Impairment	Treatment
Class 5 - Secured claim of Sun Minnesota Foreign Holdings, LLC and Sun Minnesota Domestic Holdings, LLC	Unimpaired	To the extent that the debtor is able to realize any value from the collateral that secures this claim, the holder of any claim in Class 5, if allowed, will be entitled to distribution from the net proceeds of the collateral after deductions of the costs of the liquidation. These costs include the defense of claim objections and adversary proceedings by MN Airline Holdings Inc. and MN Airlines, LLC.
Class 6 - Secured claim of U.S. Bancor Business Equipment Finance Group (Toshiba)	Unimpaired	This claim has been satisfied by the holder's repossession of its collateral.
Class 7 - Other secured claims against Petters Aviation	Unimpaired	Each holder of another unsecured claim against Petters Aviation shall be unimpaired within the meaning of Section 1124 of the Bankruptcy Code on the effective date. The failure to object to any other unsecured claim in the case shall be without prejudice to the debtors' or the reorganized debtors' right to contest or otherwise defend against such claim in an appropriate forum when and if such claim is sought to be enforced by the holder of the other unsecured claim. The Debtors do not know of any claims in this category.
Class 8 - Other secured claims against Elite Landings	Unimpaired	Each holder of another unsecured claim against Elite Landings shall be unimpaired within the meaning of Section 1124 of the Bankruptcy Code on the effective date. The failure to object to any other unsecured claim in the case shall be without prejudice to the debtors' or the reorganized debtors' right to contest or otherwise defend against such claim in an appropriate forum when and if such claim is sought to be enforced by the holder of the other unsecured claim. The Debtors do not know of any claims in this category.

2. Classes of Priority Unsecured Claims

Certain priority claims that are referred to in §§ 507(a)(1), (4), (5), (6), and (7) of the Bankruptcy Code are required to be placed in classes. The Bankruptcy Code requires that each holder of such a claim receive cash on the effective date of the Plan equal to the allowed amount of such claim. However, a class of holders of such claims may accept different treatment.

There are no known priority unsecured claims against the Debtors.

3. *Classes of General Unsecured Claims*

General unsecured claims are not secured by property of the estate and are not entitled to priority under § 507(a) of the Bankruptcy Code.

The following chart identifies the Plan's proposed treatment of Classes 10 and 11, which contain general unsecured claims against the Debtors:

Class	Impairment	Treatment
Class 9 - Unsecured claims against Petters Aviation	Impaired	Each holder of an allowed claim in Class 9 will receive its pro rata share of any amounts available for distribution from time to time, as described further in Section 7.03 of the Plan.
Class 10 - Unsecured claims against Elite Landings	Impaired	Each holder of an allowed claim in Class 10 will receive its pro rata share of any amounts available for distribution from time to time, as described further in Section 7.03 of the Plan.

4. *Classes of Interests*

The equity interest holders in each Debtor consists of LLC membership interests. The following chart sets forth the Plan's proposed treatment of the classes of equity interests:

Class	Impairment	Treatment
Class 11 - All equity interests of Petters Aviation	Impaired	The holder of the allowed ownership interest of Petters Aviation, LLC will receive a distribution only if and when the claims of holders in other classes of claims and of unclassified claims against Petters Aviation have been satisfied in full. The debtors do not expect any distribution on account of the ownership interests of Thomas Petters, Inc.
Class 12 - All equity interests of Elite Landings	Impaired	The holder of the allowed ownership interest of Elite Landings, LLC will receive a distribution only if and when the claims of holders in other classes of claims and of unclassified claims against Elite Landings have been satisfied in full.

D. Means of Implementing the Plan

1. *Source of Payments*

The source of payments will be proceeds of liquidation of the assets of the Debtors that become available for distribution by order of the bankruptcy court resolving any adverse claims to the assets or their proceeds. For further details on the sources of

payment, please see section 7.08 of the Plan and the summary of assets on Exhibit B to this disclosure statement.

2. *Method of Payments*

Please see section 7.10 of the Plan.

3. *Personnel*

As set forth in more detail in Article VII of the Plan, the Plan will be implemented and administered by the Debtors. It is contemplated that Jay Salmen, the current President and Chief Executive Officer of the Debtors, will continue in that role. Mr. Salmen will supervise the liquidation process. In brief, Mr. Salmen is an experienced bankruptcy attorney and airline executive. He has extensive knowledge of the assets of Petters Aviation, including Sun Country Airlines. He served as President of Sun Country Airlines from 2002 to 2006, and again as CEO from March, 2007 until March, 2008, and as CEO of Petters Aviation and its other subsidiaries from October, 2006 to the present. Details as to his estimated compensation, and other post-confirmation costs are set forth in the liquidation cost analysis set forth in Exhibit F annexed. Once claim objections and other litigation concludes, it is anticipated that administrative costs will be substantially reduced.

E. *Executory Contracts and Unexpired Leases*

The Debtors are not aware of any executory contracts or unexpired leases to which they are a party that have not already been rejected or that have not expired by their terms. Please see Article VI of the plan should it become necessary to address any executory contracts or unexpired leases.

F. *Tax Consequences of the Plan*

The following are the anticipated tax consequences of the Plan to the Debtors and the holders of any claims. This summary is based upon current law, which is subject to change at any time, possibly with retroactive effect. This summary is not a complete discussion of all federal income tax consequences to the Debtors and the creditors and does not address federal income tax consequences applicable to creditors subject to special treatment under federal income tax law. In addition, this summary does not address the tax consequences of the Plan under applicable state, local or foreign tax laws or federal gift and estate tax laws.

THIS SUMMARY IS INCLUDED FOR YOUR GENERAL INFORMATION ONLY AND DOES NOT CONSTITUTE A TAX OPINION OR ADVICE. EACH CREDITOR SHOULD CONSULT WITH AN INDEPENDENT TAX ADVISOR, ACCOUNTANT OR ATTORNEY TO DETERMINE THE TAX CONSEQUENCES RELATED TO THE PLAN AND HIS, HER OR ITS PARTICULAR CIRCUMSTANCES, INCLUDING ANY STATE, LOCAL AND FOREIGN TAX CONSEQUENCES RESULTING FROM THE IMPLEMENTATION OF THE PLAN.

1. *Tax Consequences to the Debtors of the Plan.*

Prior to the effective date of the plan, each of the Debtors is treated as a “disregarded entity” for federal income tax purposes. In general, for federal income tax purposes, items of income, gain, loss or deduction of a disregarded entity, and the related federal income tax consequences of such items, are the responsibility of the owner of the disregarded entity, not the disregarded entity itself. Accordingly, to the extent that the Plan would otherwise trigger federal income tax consequences to the Debtors, the Debtors believe that the federal income tax consequences of the Plan will not be borne by them, but instead will be borne by Thomas Petters, Inc.

2. *General Tax Consequences on Creditors of any Discharge, and the General Tax Consequences of Receipt of Plan Consideration After Confirmation.*

Upon confirmation of the Plan and its funding, a creditor may receive a distribution at the time and in the manner provided in the Plan. The tax consequences to the creditors will vary depending upon factors that are unique to each creditor including, but not limited to: (i) whether the claim is business or non-business related; (ii) whether the claim relates to interest, principal, or penalty; (iii) the type of claim and its origin; (iv) the federal tax status of the recipient receiving the distribution under the Plan; (v) the recipient's method of accounting; (vi) the recipient's prior treatment of the indebtedness including whether the recipient has deducted the claim as a bad debt for federal income tax purpose; and (vii) the recipient's tax basis in the item for which a claim is being made.

EACH CREDITOR IS SUBJECT TO DIFFERENT FACTORS THAT ARE UNIQUE AND MAY RESULT IN DIFFERENT TAX CONSEQUENCES TO EACH CREDITOR UNDER THE PLAN. DUE TO THE COMPLEXITY OF THESE FACTORS, EACH CREDITOR SHOULD CONSULT WITH AN INDEPENDENT TAX ADVISOR, ACCOUNTANT OR ATTORNEY TO DETERMINE THE TAX CONSEQUENCES TO THE CREDITOR UNDER THE PLAN BASED UPON HIS, HER OR ITS PARTICULAR AND UNIQUE CIRCUMSTANCES.

3. *IRS Circular 230 Notice.*

To ensure compliance with IRS Circular 230, holders of claims and equity interests in the Debtors are hereby notified that:

- a. any discussion of federal tax issues contained or referred to in this disclosure statement is not intended or written to be used, and cannot be used, by holders of claims and equity interests in the Debtors for the purpose of avoiding penalties that may be imposed on them under the Internal Revenue Code;
- b. such discussion is written in connection with the promotion or marketing by the Debtors of the transactions of matters addressed herein; and

- c. holders of claims and equity interests in the Debtors should seek advice based on their particular circumstances from an independent tax advisor.

IV. CONFIRMATION REQUIREMENTS AND PROCEDURES

To be confirmable, the Plan must meet the requirements listed in §§ 1129(a) or (b) of the Bankruptcy Code. These requirements include: the Plan must be proposed in good faith; at least one impaired class of claims must accept the Plan, without counting votes of insiders; the Plan must distribute to each creditor and equity interest holder at least as much as the creditor or equity interest holder would receive in a Chapter 7 liquidation case, unless the creditor or equity interest holder votes to accept the Plan; and the Plan must be feasible.

A. Who May Vote or Object

Any party in interest may object to the confirmation of the Plan if the party believes that the requirements for confirmation are not met.

Many parties in interest, however, are not entitled to vote to accept or reject the Plan. A creditor or equity interest holder has a right to vote for or against the Plan only if that creditor or equity interest holder has a claim or equity interest that is both allowed or allowed for voting purposes and impaired.

In this case, the Debtors believe that classes 10 through 13 are impaired and that holders of claims or interests in each of these classes are therefore entitled to vote to accept or reject the Plan. The Debtors believe that the remaining classes are unimpaired or are deemed to have rejected the plan without voting. Holders of claims in unimpaired classes do not have the right to vote to accept or reject the Plan.

Creditors in classes that are eligible to vote will receive a ballot that allows them to vote to accept or reject the Plan. As noted in Section B below, the Debtors reserve the right to seek confirmation by “cram-down.”

1. What Is an Allowed Claim?

Only a creditor with an allowed claim has the right to vote on the Plan. Generally, a claim is allowed if either (1) a debtor has scheduled the claim on its schedules, unless the claim has been scheduled as disputed, contingent, or unliquidated, or (2) the creditor has filed a proof of claim, unless an objection has been filed to the proof of claim. When a claim is not allowed, the creditor holding the claim cannot vote unless the Bankruptcy Court, after notice and hearing, either overrules the objection or allows the claim for voting purposes pursuant to Rule 3018(a) of the Federal Rules of Bankruptcy Procedure.

The deadline for filing a proof of claim in these cases was March 12, 2009, except the deadline for governmental units was April 6, 2009.

2. *What is an Impaired Claim?*

As noted above, the holder of an allowed claim has the right to vote only if it is in a class that is *impaired* under the Plan. As provided in § 1124 of the Bankruptcy Code, a class is considered impaired if the Plan alters the legal, equitable, or contractual rights of the members of that class.

3. *Who is Not Entitled to Vote*

The holders of the following five types of claims and equity interests are *not* entitled to vote:

holders of claims or interests that have been disallowed by an order of the Court;

holders of other claims or interests that are not “allowed claims” (as discussed above), unless they have been “allowed” for voting purposes;

holders of claims or interests in unimpaired classes;

holders of claims entitled to priority pursuant to §§ 507(a)(2), (a)(3), and (a)(8) of the Bankruptcy Code;

holders of claims or interests in classes that do not receive or retain any value under the Plan; and

holders of administrative expenses claims.

Even if you are not entitled to vote on the Plan, you may have a right to object to the confirmation of the Plan.

4. *Who Can Vote in More Than One Class*

A creditor whose claim has been allowed in part as an impaired secured claim or interest and in part as an impaired unsecured claim, or who otherwise holds impaired claims or interests in more than one class, is entitled to vote to accept or reject the Plan in each capacity, and should cast one ballot for each claim.

B. *Votes Necessary to Confirm the Plan*

If impaired classes exist, the Court cannot confirm the Plan unless (1) at least one impaired class of creditors has accepted the Plan without counting the votes of any insiders within that class, and (2) all impaired classes have voted to accept the Plan, unless the Plan is eligible to be confirmed by “cram-down” on non-accepting classes, as discussed in Section B.2.

1. *Votes Necessary for a Class to Accept the Plan*

A class of claims accepts the Plan if both of the following occur: (1) the holders of more than one-half of the allowed claims in the class, who vote, cast their votes to

accept the Plan, and (2) the holders of at least two-thirds in dollar amount of the allowed claims in the class, who vote, cast their votes to accept the Plan. A class of interests accepts a plan if at least two-thirds in amount of the interest of those voting accept the plan.

2. Treatment of Nonaccepting Classes

Even if one or more impaired classes rejects the Plan, the Court may, nonetheless, confirm the Plan if the nonaccepting classes are treated in the manner prescribed by § 1129(b) of the Bankruptcy Code. A plan that binds nonaccepting classes is commonly referred to as a “cram-down” plan. The Bankruptcy Code allows the Plan to bind nonaccepting classes of claims or equity interests if it meets all the requirements for consensual confirmation except the voting requirements of § 1129(a)(8) of the Bankruptcy Code, does not discriminate unfairly, and is fair and equitable toward each impaired class that has not voted to accept the Plan.

Please take notice that the Debtors intend to utilize the so-called “cram-down” provisions under § 1129(b) of the Bankruptcy Code in the event that all impaired classes do not vote to accept the Plan.

You should consult your own attorney if a cram-down confirmation will affect your claim, as the variations on this general rule are numerous and complex.

C. Alternatives to the Plan

Exhibit B is a summary of the assets of the debtors. Except for cash on hand, the assets consist of claims against entities in chapter 11 proceedings or receivership. Many of the claims are or may be contested. Thus the value of the claims is uncertain both as to the ultimate amount of the claims and the amount of any distribution on account of the claims. Similarly, many of the general unsecured claims against the debtors are disputed. Accordingly, a meaningful liquidation analysis can not be prepared at this time.

If the Plan is not confirmed and these cases are converted to liquidation under Chapter 7 of the Bankruptcy Code, the estates will incur additional administrative expenses consisting of Trustee commissions and the fees and expenses incurred by the Trustee’ professionals gaining the background and knowledge about the details of these cases already possessed by management of the Debtors and their professionals. Current management has substantial expertise in the airline industry and a familiarity with the issues of this case. In the event that Petters Aviation receives a distribution of stock from a reorganized Sun Country Airlines, current management has the expertise to deal with this asset for maximum benefit to the creditors of Petters Aviation. The likely outcome in a Chapter 7 would both limit and delay the distribution proceeds available due to higher costs of administration and the time needed for new personnel to become conversant with the issues. In addition, a Chapter 7 trustee will be entitled to a fee. This fee will not be incurred under the Plan. Accordingly, it is anticipated that creditors will fare better if the case remains in Chapter 11.

D. Feasibility

The Court must find that confirmation of the Plan is not likely to be followed by the liquidation, or the need for further financial reorganization, of the Debtors or any successor to the Debtors, unless such liquidation or reorganization is proposed in the Plan.

1. *Ability to Initially Fund Plan*

The Debtors believe that they will have enough cash on hand on the effective date of the Plan to pay all the claims and expenses that are required to be paid on that date.

2. *Ability to Make Future Plan Payments And Operate Without Further Reorganization*

The Debtors must also show that they will have enough cash over the life of the Plan to make the required Plan payments.

The Debtors have provided financial information. See **Exhibits B through E**. This information was prepared by the Debtors solely for the purpose of evaluating the Plan based upon the present assets and prospects of the Debtors. The information is not necessarily presented in accordance with generally accepted accounting principles. It shows that the Debtors will have sufficient resources to implement the Plan.

You Should Consult with Your Accountant or other Financial Advisor If You Have Any Questions Pertaining to These Projections.

V. EFFECT OF CONFIRMATION OF PLAN

A. Discharge of Debtors

Pursuant to 11 U.S.C. § 1141, the Debtors will not receive a discharge.

B. Modification of Plan

The Debtors retain the right to seek to modify the Plan to the full extent permitted by 11 U.S.C. § 1127 and the Federal Rules of Bankruptcy Procedure.

C. Binding Effect of the Plan

In general, upon confirmation of the Plan, the provisions of the Plan bind the Debtors, any entity issuing securities under the Plan, any entity acquiring property under the Plan and any creditor and equity security holder whether or not the claim or interest of the creditor or equity security holder is impaired under the Plan and whether or not the creditor or equity security holder has accepted the Plan. In addition, except as otherwise provided in the Plan or the order confirming the Plan, confirmation of a plan vests all of the property of the estate in the Debtors. After confirmation, except as

provided in the Plan or in the Bankruptcy Code, the property dealt with by the Plan is free and clear of all claims and interests of creditors and equity security holders in the Debtors.

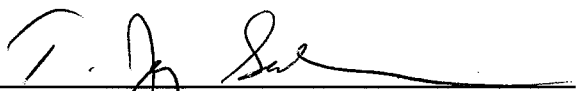
VI. CONCLUSION

All of the creditors entitled to vote are asked to exercise their rights to vote for acceptance or rejection of the Plan. The Debtors request that each claim holder entitled to vote complete the Ballot and vote to accept the Plan.

Dated: May 20, 2010

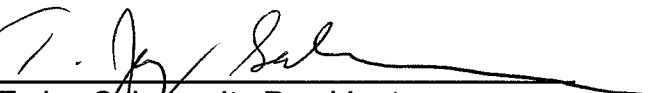
Respectfully submitted,

PETTERS AVIATION, LLC

By 
T. Jay Salmen, Its President

Dated: May 20, 2010

ELITE LANDINGS, LLC

By 
T. Jay Salmen, Its President

ATTORNEYS FOR PLAN PROPONENTS

MOSS & BARNETT
A Professional Association

Dated: May 20, 2010

By /e/ James A. Rubenstein
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EXHIBIT A
Copy of Proposed Joint Plan of Liquidation

UNITED STATES BANKRUPTCY COURT
DISTRICT OF MINNESOTA

In re:

Bky. Case No. 08-45136 (RJK)

Petters Aviation, LLC,

Chapter 11

Debtor.

Elite Landings, LLC,

Bky. Case No. 08-45210 (RJK)

Debtor.

Chapter 11

**JOINT PLAN OF LIQUIDATION
DATED APRIL 6, 2010**

This Joint Plan of Liquidation under chapter 11 of the United States Bankruptcy Code proposes to pay the respective creditors of Petters Aviation, LLC and Elite Landings, LLC from the proceeds of liquidation of their respective assets.

ARTICLE I
SUMMARY

The debtors propose this plan jointly. The plan proposes to deal with the assets, liabilities and ownership interests of each debtor separately, except as explicitly set forth in the plan. The assets of each debtor to be liquidated are primarily claims against MN Airlines, LLC, dba Sun Country Airlines, which is also a debtor-in-possession under Chapter 11 of the United States Bankruptcy Code, its parent, MN Airline Holdings, Inc., which is similarly a debtor-in-possession under Chapter 11 of the Bankruptcy Code, and claims against various other entities, which are either in bankruptcy or in receivership that were at one time within the business ambit of Thomas Petters.

It is expected that many of these claims will be contested. The plan provides for interim distributions where appropriate. Unsecured creditors holding allowed claims will receive distributions based on the resolution and the liquidation of the assets of each debtor. This plan also provides for the payment of administrative and priority claims in accordance with the Bankruptcy Code.

All creditors and equity security holders should refer to Articles III through VI of this plan for information regarding the precise treatment of their claim. A disclosure statement that provides more detailed information regarding this plan and the rights of creditors and equity security holders has been circulated with this plan. **Your rights may be affected. You should read these papers carefully and discuss them with**

your attorney, if you have one. (If you do not have an attorney, you may wish to consult one.)

ARTICLE II
CLASSIFICATION OF CLAIMS AND INTERESTS

- 2.01 Class 1 - All allowed claims against either debtor entitled to priority under § 507 of the Bankruptcy Code (except administrative expense claims under § 507(a)(2), and priority tax claims under § 507(a)(8)).
- 2.02 Class 2 - The secured claim, to the extent allowed, of Chase Equipment Leasing, Inc. against Petters Aviation. The collateral for this claim was a Canadair Limited Seal-600-2A12 Aircraft, Serial No. 3002, U.S. I.D. No. N227PE. Chase, after obtaining relief from the automatic stay, sold the collateral at a private foreclosure sale for \$3,863,294.50. Accordingly, this claim has been satisfied in full by return of and liquidation of the collateral.
- 2.03 Class 3 - The secured claim, to the extent allowed, of MinnWest Bank Metro Champlin against Petters Aviation filed in the amount of \$1,003,972.22. This claim and the secured nature of this claim are disputed. The alleged collateral consists of a used Boeing Model 727-35 Airframe bearing Manufacturer's Serial No. 19835 and United States Registration No. EN706JP and other avionics and engines associated with it, together with all personal property, including all charter business accounts, contract rights and general intangibles, leases, rents, issues and profits, judgments and awards and after-acquired property. Petters Aviation disputes this claim.
- 2.04 Class 4 - The secured claim, to the extent allowed, of Priester Aviation, LLC against Petters Aviation. The alleged collateral for this claim is the same Boeing 727JP in which MinnWest Bank Metro Champlin claims a security interest. Petters Aviation disputes the validity of the claimed security interest and the amount of the claim. According to the proof of claim filed by this creditor, the amount due is \$296,437.99 for services allegedly rendered.
- 2.05 Class 5 - The secured claims, to the extent allowed, of Sun Minnesota Foreign Holdings, LLC and Sun Minnesota Domestic Holdings, LLC against Petters Aviation. The alleged collateral consists of 1,851.19 shares of Voting Common Stock, 2,648.82 shares of Non-Voting Common Stock and 1,871.54 shares of Series A Preferred Stock of MN Airline Holdings, Inc., the parent of MN Airlines, LLC, d/b/a Sun Country Airlines, together with two Amended and Restated Secured Convertible Notes in the original principal amounts of \$1,867,390.00 and \$3,041,701.00, respectively, of MN Airline Holdings, Inc. Petters Aviation disputes this claim.
- 2.06 Class 6 - The secured claim, to the extent allowed, of U.S. Bancor Business Equipment Finance Group (Toshiba) against Petters Aviation. The collateral for

this claim consists of a copier that has been returned to the holder of this claim. As a result, Petters Aviation disputes this claim.

- 2.07 Class 7 - The secured claim, to the extent allowed, of Richard Hettler filed against both debtors, whose collateral is unspecified by Mr. Hettler in his proof of claim and whose alleged claim is filed at \$41,807,965.00. Debtors dispute this claim.
- 2.08 Class 8 - Other secured claims, to the extent allowed, against Petters Aviation. Debtors are not aware of any such claims at this time.
- 2.09 Class 9 - Other secured claims, to the extent allowed, against Elite Landings. Debtors are not aware of any such claims at this time.
- 2.10 Class 10 - All unsecured claims allowed against Petters Aviation under Section 502 of the Bankruptcy Code.
- 2.11 Class 11 - All unsecured claims allowed against Elite Landings under Section 502 of the Bankruptcy Code.
- 2.12 Class 12 - All equity interests in Petters Aviation. These interests were held by Thomas Petters, Inc., and are now held in the name of receiver Douglas A. Kelley.
- 2.13 Class 13 - The interests of Petters Aviation as 100% owner of the equity interests in Elite Landings.

ARTICLE III
TREATMENT OF ADMINISTRATIVE EXPENSE CLAIMS,
U.S. TRUSTEES FEES, AND PRIORITY TAX CLAIMS

- 3.01 Unclassified Claims. Under section § 1123(a)(1) of the Bankruptcy Code, administrative expense claims and priority tax claims are not organized in classes.
- 3.02 Administrative Expense Claims. Each holder of an administrative expense claim against either debtor allowed under § 503 of the Code will be paid in full on the effective date of this plan (as defined in Section 8.02) in cash, or upon such other terms as may be agreed upon by the holders of the claims and the debtors.
- 3.03 Priority Tax Claims. Each holder of a priority tax claim against either debtor will be paid on terms consistent with § 1129(a)(9)(C) of the Bankruptcy Code. The debtors believe there are no such claims against them.
- 3.04 United States Trustee Fees. All fees either debtor is required to pay by 28 U.S.C. § 1930(a)(6). U.S. Trustee Fees will accrue and be paid when due as required by law. Any U.S. Trustee Fees owed on or before the effective date of this plan will be paid on the effective date.

ARTICLE IV
TREATMENT OF CLAIMS AND INTERESTS UNDER THE PLAN

4.01 In full satisfaction of the claims described herein, the claims shall be treated as follows under this plan:

Class	Impairment	Treatment
Class 1 - Priority claims other than administrative expense claims and priority tax claims	Unimpaired	Each holder of a Class 1 priority claim will be paid in full, in cash, upon the later of the effective date of this plan, or on the date on which such claim is allowed by a final non-appealable order, or pursuant to an agreement with the holder of a priority claim and the debtors.
Class 2 - Allowed secured claim of Chase Equipment Leasing, Inc.	Unimpaired	The legally equitable and contractual rights arising from the secured claim of Chase Equipment Leasing, Inc. are unimpaired. This claim was satisfied by sale by Chase Equipment Leasing, Inc. of the aircraft and receipt of the proceeds. Any allowed amount of any deficiency will be treated as a general unsecured claim in Class 8.
Class 3 - Allowed secured claim of MinnWest Bank Metro Champlin	Unimpaired	The holder of this secured claim, to the extent allowed shall be unimpaired within the meaning of Section 1124 of the Bankruptcy Code on the effective date. The failure to object to any other unsecured claim in the case shall be without prejudice to the debtors' or the reorganized debtors' right to contest or otherwise defend against such claim in an appropriate forum when and if such claim is sought to be enforced by the holder of the other unsecured claim.
Class 4 - Allowed secured claim of Priester Aviation, LLC	Unimpaired	The holder of this secured claim, to the extent allowed shall be unimpaired within the meaning of Section 1124 of the Bankruptcy Code on the effective date. The failure to object to any other unsecured claim in the case shall be without prejudice to the debtors' or the reorganized debtors' right to contest or otherwise defend against such claim in an appropriate forum when and if such claim is sought to be enforced by the holder of the other unsecured claim.

Class	Impairment	Treatment
Class 5 - Allowed secured claim of Sun Minnesota Foreign Holdings, LLC and Sun Minnesota Domestic Holdings, LLC	Unimpaired	To the extent that the debtor is able to realize any value from the collateral that secures this claim, the holder of any claim in Class 5, if allowed, will be entitled to distribution from the net proceeds of the collateral after deductions of the costs of the liquidation. These costs include the defense of claim objections and adversary proceedings by MN Airline Holdings Inc. and MN Airlines, LLC.
Class 6 - Allowed secured claim of U.S. Bancor Business Equipment Finance Group (Toshiba)	Unimpaired	This claim has been satisfied by the holder's repossession of its collateral.
Class 7 - Allowed secured claim of Richard Hettler	Impaired	No property of any kind will be distributed on account of this claim.
Class 8 - Other secured claims against Petters Aviation	Unimpaired	Each holder of another unsecured claim against Petters Aviation shall be unimpaired within the meaning of Section 1124 of the Bankruptcy Code on the effective date. The failure to object to any other unsecured claim in the case shall be without prejudice to the debtors' or the reorganized debtors' right to contest or otherwise defend against such claim in an appropriate forum when and if such claim is sought to be enforced by the holder of the other unsecured claim.
Class 9 - Other secured claims against Elite Landings	Unimpaired	Each holder of another unsecured claim against Elite Landings shall be unimpaired within the meaning of Section 1124 of the Bankruptcy Code on the effective date. The failure to object to any other unsecured claim in the case shall be without prejudice to the debtors' or the reorganized debtors' right to contest or otherwise defend against such claim in an appropriate forum when and if such claim is sought to be enforced by the holder of the other unsecured claim.
Class 10 - Unsecured claims against Petters Aviation	Impaired	Each holder of an allowed claim in Class 10 will receive its pro rata share of any amounts available for distribution from time to time, as described further in Section 7.03 of this plan.
Class 11 - Unsecured claims against Elite Landings	Impaired	Each holder of an allowed claim in Class 11 will receive its pro rata share of any amounts available for distribution from time to time, as described further in Section 7.03 of this plan.

Class	Impairment	Treatment
Class 12 - All equity interests of Petters Aviation	Impaired	The holder of the allowed ownership interest of Petters Aviation, LLC will receive a distribution only if and when the claims of holders in other classes of claims and of unclassified claims against Petters Aviation have been satisfied in full. The debtors do not expect any distribution on account of the ownership interests of Thomas Petters, Inc.
Class 13 - All equity interests of Elite Landings	Impaired	The holder of the allowed ownership interest of Elite Landings, LLC will receive a distribution only if and when the claims of holders in other classes of claims and of unclassified claims against Elite Landings have been satisfied in full.

ARTICLE V

ALLOWANCE AND DISALLOWANCE OF CLAIMS

- 5.01 Disputed Claim. A disputed claim is a claim that has not been allowed or disallowed by a final non-appealable order, and as to which either (i) a proof of claim has been filed or deemed filed, and the debtors or another party in interest have filed an objection; or (ii) no proof of claim has been filed, and the debtors have scheduled such claim as disputed, contingent or unliquidated. Objections to claims shall be brought within the time set by the bankruptcy court. Any claim for which no objection has been filed within the time fixed, including any extension, shall be deemed an allowed claim in the amount as set forth in the proof of claim filed with the bankruptcy court, or, if no proof of claim is filed, as listed in the debtors' schedules and not identified as disputed, contingent or unliquidated as to amount. Any claim that is scheduled as disputed, contingent or unliquidated in amount, and for which a proof of claim has not been filed, shall be deemed expunged, without further act or deed.
- 5.02 Estimation of Claims. Debtors may seek estimation of any claims pursuant to the Bankruptcy Code.
- 5.03 Delay of Distribution on a Disputed Claim. No distribution will be made on account of a disputed claim unless such claim is allowed by a final non-appealable order.
- 5.04 Settlement of Disputed Claims. The debtors will have the power and authority to settle and compromise a disputed claim with court approval and compliance with Rule 9019 of the Federal Rules of Bankruptcy Procedure.

ARTICLE VI

PROVISIONS FOR EXECUTORY CONTRACTS AND UNEXPIRED LEASES

- 6.01 Assumed Executory Contracts and Unexpired Leases. The debtors are unaware of any executory contracts or unexpired leases that they wish to assume. The

Debtors reserve the right to seek to assume and assign any executory contracts or unexpired leases under Section 365 of the Bankruptcy Code at any time prior to the effective date of the Plan.

- 6.02 The debtors will be conclusively deemed to have rejected all executory contracts and/or unexpired leases not expressly assumed either under section 6.01(a) above or otherwise before the date of the order confirming this plan, upon the effective date of this plan. A proof of a claim arising from the rejection of an executory contract or unexpired lease under this section must be filed no later than the earlier of the time set in any order entered prior to the effective date of this plan, or thirty (30) days after the date of the order confirming this plan.

ARTICLE VII

MEANS FOR IMPLEMENTATION OF THE PLAN

- 7.01 Administration. The plan will be implemented and administered by the debtors. On confirmation of the plan, all of the assets of the estates will re-vest in the debtors pursuant to § 1141(b) of the Code.
- 7.02 Payment of Allowed Administrative Expense and Priority Claims. Consistent with the practice during the administration of these Chapter 11 cases, allowed administrative expense and priority claims will be paid from available funds. If Petters Aviation is not in possession of sufficient unencumbered funds, Elite Landings will make an intercompany transfer to Petters Aviation to enable it to pay the allowed administrative expenses and priority claims.
- 7.03 Proceeds of Liquidation and Distribution. On or before the effective date, the debtors will establish at least one Distribution Account for each debtor. To the extent either debtor holds cash proceeds from the sale of property in which a security interest is claimed, the debtor shall establish a separate account for the proceeds pending the resolution of any dispute or objection to any secured claim. The remaining assets of the estates will be sold or otherwise disposed of and the net proceeds thereof will be deposited in a distribution account for the appropriate debtor. The debtors shall hold all cash in the distribution accounts for distributions in accordance with the plan. Any distributions pursuant to the plan shall be rounded down to the nearest whole dollar. The distributions and other treatment afforded holders of claims and interests under this plan shall be the only payments received by the holders of claims against, or interests in, the debtors.
- 7.04 Claims of the Estate. Each debtor shall be a “representative of the estate” for the purposes of 11 U.S.C. § 1123(b)(3) and shall retain and enforce any claim or interest belonging to the debtor or the estate of the debtor. Debtors shall have the authority to assert, prosecute and settle all claims and causes of action that belong to them or their respective estates, including without limitation, Bankruptcy Causes of Action under 11 U.S.C. § 547 or similar state laws made applicable in bankruptcy pursuant to 11 U.S.C. § 544, through and including the

earlier of the date the case is closed or the last date by which claims may be asserted pursuant to the Bankruptcy Code or order of this court. The debtors shall also have the authority to pursue and defend any and all claims against any third parties, including related entities such as Petters Company, Inc., MN Airline Holdings, Inc. and MN Airlines, LLC dba Sun Country Airlines.

7.05 Debtors Authorization. The debtors shall have the power to:

- a. Open accounts necessary or advisable to maintain and distribute funds of the estate.
- b. Take any action on behalf of the estate necessary to administer the estate, including but not limited to enforcing claims of the estate and collecting amounts due with respect to such claims.
- c. Compromise and settle any claims of the estate as authorized under this plan.
- d. Employ professionals, including professional persons currently retained by the debtors or the Committee of Unsecured Creditors for Petters Aviation, LLC, to assist the administration and sale of the assets and pursue their claims or interests.
- e. Pay any fees, costs and expenses of the estate pending sale.
- f. Make distributions to claimants pursuant to the plan.
- g. Exercise such other powers as are necessary and appropriate in accordance with and consistent with Minnesota law, or other applicable law, to fulfill the duties set forth in this plan from funds of the estates, the employees of the debtors shall receive reasonable compensation for their services, as well as reimbursement for all out-of-pocket fees, costs and expenses in acting under this plan including, but not limited to, reimbursement of reasonable attorneys fees.

7.06 Conduct of Debtors. The debtors shall exercise the rights and powers vested in them under this plan, and use the same degree of care and skill in their exercise, as a prudent person would exercise or use under such circumstances in the administration of such person's own affairs, except that:

- a. the duties and obligations of the debtors shall be determined solely by the express provisions of this plan and they shall not be liable except for the performance of such duties and obligations as are specifically set forth in this plan and no implied covenants or obligations shall be read into this plan against the debtors; and

- b. the debtors shall not be liable for any error of judgment made in good faith by them or any of their officers or employees, unless the debtors are grossly negligent in ascertaining the pertinent facts.

Provided the debtors exercise their rights and duties consistent with the provisions of this Section 7.06, the estate of each debtor shall indemnify and hold harmless the debtor from any claim, liability, expense or damage arising from the discharge of such rights and powers under this plan. Notwithstanding the foregoing, no provision of this plan shall be construed to relieve the debtors from liability for their own gross negligence in acting or failing to act, or their own willful misconduct.

The provisions of this section shall apply to any right, conduct, power, duty or responsibility of the debtors under this plan. None of the provisions of this plan shall be construed to require the debtors to expend or risk their own funds or otherwise incur personal financial liability in the performance of their duties or in the exercise of their rights and powers.

7.07 Reliance on Documents and Statements. Except as otherwise provided in this plan, the debtors:

- a. may rely upon and shall be protected in acting upon any resolution, certificate, statement, instrument, opinion, report, notice, request, consent, order, or other document believed by them to be genuine and to have been signed or presented by the proper party or parties;
- b. may consult with their legal counsel, and any written advice or opinion of their legal counsel shall be full and complete authorization and protection in respect of any action taken or not taken by them in good faith and in accordance with such advice or opinion of counsel;
- c. shall not be liable for any action taken or not taken if in good faith and believed by them to be authorized or within their discretion or rights or powers under this plan; and
- d. may exercise any of the rights and powers, or perform any of the duties under this plan whether directly or through agents or attorneys, and they shall not be responsible for any misconduct or negligence on the part of any agent or attorney appointed with due care.

7.08 Sources of Payments.

- a. Payments and distributions on the allowed claims against and interests in Petters Aviation under the plan will be funded by the following:
 - i. Cash on hand from the sale of Southwest Aviation, Inc. and of certain equipment.

- ii. Distributions, if any, from Elite Landings, LLC on account of its claim against and equity interest in Elite.
 - iii. Distributions, if any, from its wholly-owned subsidiary, Petters Aircraft Leasing, LLC, on account of its claims against and equity interest in PAL.
 - iv. Proceeds, if any, of Petters Aviation claims against Sun Country and MN Airline Holdings, Inc.
 - v. Proceeds, if any, from liquidation of any other claims or other assets, of Petters Aviation and the net recoveries on any bankruptcy causes of action brought on behalf of the estate of Petters Aviation.
- b. Payments and distributions on allowed claims against Elite Landings under the plan will be funded by the following:
 - i. Cash on hand from the return of purchase money deposits on airbus jets.
 - ii. The net proceeds of any Elite Landings claims against Sun Country and MN Airline Holdings, Inc.
 - iii. Other proceeds from liquidation of any other Petters-related claims.

7.09 Distribution. Debtors will distribute payments required to be made on the effective date on or before the effective date. Any distributions to secured creditors will be made in accordance with the treatment of each secured creditor claim described elsewhere in this plan. Distribution will be made to holders of general unsecured claims in Classes 10 and 11 at the discretion of the debtors, with a goal that an interim distribution will be made within one year of the effective date. A final distribution will be made by each debtor within sixty days of the resolution of all disputed claims and the liquidation of all assets of the debtor.

7.10 Distribution Method. The debtors will make distribution on allowed claims by regular first class mail at the address shown on the Proof of Claim, or if no Proof of Claim is filed on the address shown on the debtors' Schedules. The holder of a claim may designate a different address in writing sent to the debtors or their attorneys. If at the time of any Distribution Date there are any disputed claims, the debtors will reserve a pro rata share of the disputed claims before making distributions to allowed claims. The debtors will take reasonable steps to ascertain the most current address of the holder of any claim whose distribution check was returned as undeliverable. Unclaimed distributions (including distributions made by checks that failed to be negotiated) shall be held by the debtors for 90 days after the Distribution Date. Any distribution remaining unclaimed 90 days after the Distribution Date shall be cancelled, the claims relating to such distribution shall be expunged and forfeited and the holder of such claim shall receive no further distributions.

- 7.11 Existence of the Creditors Committee. On the effective date, the creditors committee appointed in the Petters Aviation case shall be dissolved and the members thereof shall be released and discharged of and from all further authority, duties, responsibilities and the retention of the creditors committees' professionals shall terminate, except as set forth below.

The creditors committee shall continue in existence on and after the effective date solely for the purpose of reviewing and being heard by the bankruptcy court and on any appeal, with respect to applications for compensation and reimbursement of expenses pursuant to Sections 330, 331 and 503(b) of the Bankruptcy Code and with respect to any objection to claim, bankruptcy adversary proceedings or other cause of action commenced by the committee prior to the effective date that is not pursued by the Debtors. With respect to the foregoing, the reorganized debtors shall pay the reasonable fees and expenses of the professionals for the creditors committee.

- 7.12 Remaining Funds Following Final Distribution. Following the final distribution, if there are remaining funds in any distribution account either due to unclaimed distributions or unanticipated receipts, and the amount does not exceed \$20,000.00, any proceeds remaining after payment of all expenses of the administration of the plan may be distributed to the Legal Aid Society of Minneapolis, or such other qualified 501(c)(3) charitable organization in the State of Minnesota, as the debtors deem appropriate.

ARTICLE VIII

GENERAL PROVISIONS

- 8.01 Definitions and Rules of Construction. The definitions and rules of construction set forth in §§ 101 and 102 of the Code shall apply when terms defined or construed in the Code are used in this plan.
- 8.02 Effective Date of Plan. The effective date of this plan is the first business day following the latest date on which an appeal from any order confirming the plan may be filed pursuant to Rule 8002 of the Federal Rules of Bankruptcy Procedure. However, if a stay of the confirmation order is in effect on that date, the effective date will be the first business day after that date on which no stay of the confirmation order is in effect, provided that the confirmation order has not been vacated.
- 8.03 Severability. If any provision in this plan is determined to be unenforceable, the determination will in no way limit or affect the enforceability and operative effect of any other provision of this plan.
- 8.04 Binding Effect. The rights and obligations of any entity named or referred to in this plan will be binding upon, and will inure to the benefit of the successors or assigns of such entity.

- 8.05 Captions. The headings contained in this plan are for convenience of reference only and do not affect the meaning or interpretation of this plan.
- 8.06 Controlling Effect. Unless a rule of law or procedure is supplied by federal law (including the Bankruptcy Code or the Federal Rules of Bankruptcy Procedure), the laws of the State of Minnesota govern this plan and any agreements, documents, and instruments executed in connection with this plan, except as otherwise provided in this plan.

ARTICLE IX

DISCHARGE

- 9.01 Discharge. Pursuant to 11 U.S.C. § 1141, the debtors will not receive a discharge.

ARTICLE X

OTHER PROVISIONS

- 10.01 Modification of the Plan. Debtors retain the right to seek to modify the plan to the full extent permitted by 11 U.S.C. § 1127 and the Federal Rules of Bankruptcy Procedure.
- 10.02 Retention of Jurisdiction. The bankruptcy court shall retain jurisdiction of this case under the provisions of the Bankruptcy Code including, without limitation, § 1142(b) thereof and of the Federal Rules of Bankruptcy Procedure to ensure that the intent and the purpose of the plan is carried out and given effect. Without limitation by reason of specification, the bankruptcy court shall retain jurisdiction for the following purposes:
- a. to consider any modification of the plan pursuant to § 1127 of the Bankruptcy Code and/or any modification of the plan after substantial consummation thereof, and to cure any default or omission, or reconcile any inconsistency in the plan or in any order of the bankruptcy court,
 - b. to hear and to determine:
 - i. all controversies, suits and disputes, if any, as may arise in connection with the interpretation or enforcement of the plan,
 - ii. all controversies, suits and disputes, if any, as may arise between or among the holders of any class of claim and the debtors,
 - iii. all causes of action which may exist on behalf of the debtors, including the Bankruptcy Causes of Action,
 - iv. applications for allowance of compensation and objections to claims that have been timely asserted in accordance with orders of this bankruptcy court,

- v. any and all pending applications, adversary proceedings and litigated matters,
- vi. any motion to estimate claims,
- vii. any matters or issues arising with respect to any orders entered in these cases or as may arise in connection with the plan, and
- viii. to enter a final decree closing these cases.

Respectfully submitted,

PLAN PROPONENTS

PETTERS AVIATION, LLC

Dated: April 6, 2010

By _____
T. Jay Salmen, Its President

Dated: April 6, 2010

ELITE LANDINGS, LLC

By _____
T. Jay Salmen, Its President

ATTORNEYS FOR PLAN PROPONENTS

MOSS & BARNETT
A Professional Association

Dated: April 6, 2010

By /e/ James A. Rubenstein
James A. Rubenstein, #94080
Cass S. Weil, #115228
4800 Wells Fargo Center
90 South Seventh Street
Minneapolis, MN 55402-4129
Telephone: (612) 877-5363
E-mail: Rubenstein@moss-barnett.com
weilc@moss-barnett.com

EXHIBIT B
Summary of Assets of Debtors

Assets of Petters Aviation, LLC

Description of Assets	Steps to Liquidation	Estimated Value
Claim against Elite Landings	Resolve disputed claims against Elite Landings and distribute amounts available to Petters Aviation pursuant to the Plan. An interim distribution is possible.	\$9,500,000.00
Boeing 727-100 VIP Aircraft, ID No. N706JP	Dispose of aircraft and resolve claims of MinnWest Bank and Priester Aviation. ¹	Unknown
Claims against MN Airline Holdings, Inc.	Resolve any objections to claims or adversary proceedings commenced against Petters Aviation and receive any distributions from estates of MN Airline Holdings, Inc. and Sun Country.	Unknown
Claims against Sun Country Airlines	Resolve any objections to claims or adversary proceedings commenced against Petters Aviation and receive distribution from estates of MN Airline Holdings, Inc. and Sun Country.	Unknown
Sale Proceeds	Resolve any secured claims against sale proceeds.	\$250,000.00 ²
100% of ownership interest in Petters Aircraft Leasing	(1) Resolve PAL's claims against Sun Country Airlines, including claim for unpaid administrative rent and receive any distribution from estate of Sun Country Airlines; (2) resolve any conflicting claims, if any, against \$3 million proceeds from CIT Strict Foreclosure Agreement; (3) resolve claims against PAL; and (4) receive any distribution available to Petters Aviation.	Unknown

¹ A pending settlement of these issues is described in part II.C.12 of the disclosure statement.

² This number will be \$280,000.00 if the MinnWest settlement is approved.

Assets of Elite Landings, LLC

Description of Assets	Steps to Liquidation	Estimated Value
Cash on hand	Resolve claims against Elite Landings estate and distribute the net proceeds to creditors of Elite Landings pursuant to the Plan.	\$7,700,000.00
\$3 Million Loan to Sun Country via Petters Aviation	Resolve claims against Elite Landings estate and distribute the net proceeds to creditors pursuant to the Plan.	Unknown
Claim against Petters Aircraft Leasing based on Intercompany Loans	(1) Resolve issues regarding claim; (2) to the extent PAL makes a distribution to Elite as a creditor (PAL is not in bankruptcy), receive distribution and distribute in accordance with Plan.	Unknown
Post-Petition Intercompany Advances to Petters Aviation in the Approximate Amount of \$1,700,000.00	(1) Offset amount advanced against Petters Aviation services rendered to and expenses incurred on behalf of Elite Landings; (2) determine whether there are any allowed claims against Elite Landings other than the claims of Petters Aviation	

EXHIBIT C
Most Recently Filed Post-Petition Operating Report of Petters Aviation, LLC

Case Name:
Case Number:

Petters Aviation, LLC
08-45136-RJK

1 Debtor in Possession (or Trustee) hereby submits this Summary of Financial Status. Dollars reported in (\$1).

	End of Current Month	End of Prior Month	As of Petition Filing
2 Asset Structure			
a. Current Assets (Market Value)	\$ 24,729,227	\$ 24,750,002	\$ 24,670,135
b. Total Assets (Market Value)	\$ 26,758,594	\$ 26,779,369	\$ 32,809,633
c. Current Liabilities	\$ 1,572,805	\$ 1,572,805	\$ -
d. Total Liabilities	\$ 37,472,384	\$ 37,472,384	\$ 41,947,130
3 Statement of Cash Receipts and Disbursements for Month			
a. Total Receipts	\$ 175	\$ 266	\$ 2,001,464
b. Total Disbursements	\$ 20,950	\$ 205,704	\$ 1,944,744
c. Excess (Deficiency) of Receipts over Disbursements (a - b)	\$ (20,775)	\$ (205,438)	\$ 56,721
d. Cash Balance Beginning of Month	\$ 250,002	\$ 455,441	\$ 172,508
e. Cash Balance End of Month (c + d)	\$ 229,227	\$ 250,002	\$ 229,227
4 Profit/(Loss) from Statement of Operations	\$ (20,775)	\$ (55,438)	\$ (1,177,748)
5 Account Receivables (Pre and Post Petition)	\$ 15,000,000	\$ 15,000,000	
6 Post Petition Liabilities	\$ 1,572,805	\$ 1,572,805	
7 Past Due Post Petition Accounts Payable (over 30 Days)	\$ -	\$ -	

At the End of this reporting Month:

- 8 Have any payments been made on pre-petition debt, other than payments in the normal course to secured creditors or lessors? (if yes, attach listing including date of payment, amount of payment, and payee). Yes No
_____ X
- 9 Have any payments been made to professionals? If yes, attach listing including date of payment, amount of payment, and name of payee). X _____
- 10 If the answer is yes to 8 or 9, were all such payments approved by the court? X _____
- 11 Have any payments been made to officers, insiders, shareholders, relatives? (if yes, attach listing including date of payment, amount and reason for payment, and name of payee). X _____
- 12 Is the estate insured for replacement cost of assets and for general liability? X _____
- 13 Are a plan and disclosure statement on file? _____ X
- 14 Was there any post-petition borrowing during this period? _____ X
- 15 Check if paid: Post-petition taxes X; US Trustee Quarterly Fee X; Check if filing is current for Post-petition tax reporting and tax returns X. (attach explanation, if post-petition taxes or US Trustee Quarterly Fees are not paid current or if post-petition tax reporting and tax return filings are not current.)

I declare under penalty of perjury that I have reviewed the above summary and attached pages (if applicable), and after making reasonable inquiry believe these documents are correct.

Date: May 15, 2010


Responsible Individual

EXHIBIT C

Case Name:
Case Number:
Comparative Balance Sheet

Petters Aviation,
08-45136-RJK

	Assets	Filing Date	Month 1 of Quarter
1	Cash	\$ 170,135	\$ 229,227
2	Accounts Receivable	\$ 15,000,000	\$ 15,000,000
3	Inventory	\$ -	
4	Notes Receivable	\$ 9,500,000	\$ 9,500,000
5	Pre-Paid Expenses	\$ -	
6	Other	\$ -	
7	Total Current Assets	\$ 24,670,135	\$ 24,729,227
8	Property, Plant & Equipment	\$ 8,139,498	\$ 2,029,367
9	Less: Accumulated Depreciation	\$ -	\$ -
10	Total Property, Plant & Equipment	\$ 8,139,498	\$ 2,029,367
	Other Assets		
11			
12			
13			
14	Total Other Assets	\$ -	\$ -
15	Total Assets	\$ 32,809,633	\$ 26,758,594
17	Accounts Payable		
18	Accrued Professional Fees		
19	Notes Payable (Elite Landings)		\$ 1,572,805
20	Taxes Payable		
21	Other: (list)		
22	Total Post-Petition Debt	\$ -	\$ 1,572,805
	Pre-Petition Liabilities		
23	Secured Debt	\$ 7,350,288	\$ 1,290,157
24	Priority Debt		
25	Unsecured Debt	\$ 34,596,842	\$ 34,609,422
26	Other Debt (List)		
27	Total Pre-Petition Debt	\$ 41,947,130	\$ 35,899,579
28	Total Liabilities	\$ 41,947,130	\$ 37,472,384
	Equity		
29	Owner's/Stockholders' Equity	\$ (9,137,497)	\$ (9,259,210)
30	Retained Earnings (Pre-Petition)		
31	Retained Earnings (Post-Petition)	\$ -	\$ (1,454,580)
32	Total Equity	\$ (9,137,497)	\$ (10,713,790)
33	Total Liabilities & Equity	\$ 32,809,633	\$ 26,758,594

Case Name:
Case Number:
Profit and Loss Statement

Petters Aviation, LLC
08-45136-RJK

	Month 1 of Quarter	Quarter Total
1 Gross Revenue	\$ -	\$ -
2 Less: Returns & Discounts	\$ -	\$ -
3 Net Revenue	\$ -	\$ -
Cost of Goods Sold		
4 Materials		\$ -
5 Direct Labor		\$ -
6 Direct Overhead		\$ -
7 Total Cost of Goods Sold	\$ -	\$ -
8 Gross Profit	\$ -	\$ -
Operating Expenses		
9 Officer / Insider Comp	\$ 18,623	\$ 18,623
10 Selling and Marketing		\$ -
11 General and Administrative	\$ 2,270	\$ 2,270
12 Rent and Lease		\$ -
13 Other (list)		\$ -
14 Total Operating Expenses	\$ 20,893	\$ 20,893
15 Income Before Non-Operating Income and Expenses	\$ (20,893)	\$ (20,893)
Other Income and Expenses		
16 Non-Operating Income (List)		\$ -
17 Non-Operating Expenses (List)		\$ -
18 Interest Expense & fees, Net	\$ (118)	\$ (118)
19 Depreciation Expense		\$ -
20 Amortization Expense		\$ -
21 Proceeds from sale of SW Aviation		\$ -
Reorganization Expenses		
22 Professional Fees	\$ -	\$ -
23 US Trustee Quarterly Fees	\$ -	\$ -
24 Other Reorganization Costs		\$ -
25 Total Reorganization Costs	\$ -	\$ -
26 Income Tax		
27 Net Profit	\$ (20,775)	\$ (20,775)

Case Name:
Case Number:
Cash Receipts and Disbursements

Petters Aviation, LLC
08-45136-RJK

	Month 1 of Quarter	Cumulative Total
1 Cash-Beginning of Month	\$ 250,002	\$ 250,002
Receipts from Operations		
2 Cash Sales		\$ -
3 Less: Cash Refunds		\$ -
4 Net Cash Sales	\$ -	\$ -
Collections of Accounts Receivables		
5 Pre-Petition		\$ -
6 Post-Petition		\$ -
7 Other		\$ -
8 Total Operating Receipts (Lines 4+5+6+7)	\$ -	\$ -
Non-Operating Receipts		
9 Loans / Advances	\$ -	\$ -
10 Sale of Assets		\$ -
11 Other (Interest Earned)	\$ 175	\$ 175
12 Total Non-Operating Receipts (Lines 9+10+11)	\$ 175	\$ 175
13 Total Receipts (Lines 8+12)	\$ 175	\$ 175
14 Total Cash Available (Lines 13+1)	\$ 250,177	\$ 250,177
Case Name: Petters Aviation, LLC		
Case Number: 08-45136-RJK		
Operating Disbursements		
15 Net Payroll	\$ 18,822	\$ 18,822
16 Payroll Taxes-Paid		\$ -
17 Sales, Use and Other Taxes Paid		\$ -
18 Secured / Rental / Leases		\$ -
19 Utilities		\$ -
20 Insurance		\$ -
21 Inventory Purchases		\$ -
22 Vehicle Expense		\$ -
23 Travel		\$ -
24 Entertainment		\$ -
25 Repairs and Maintenance	\$ -	\$ -
26 Supplies		\$ -
27 Advertising		\$ -
28 Other: True-up of 2009 employee benefits	\$ 2,072	\$ 2,072
29 Other (bank fees):	\$ 57	\$ 57
30 Other (pmt of US Trustee Fee for Elite Landings):	\$ -	\$ -
31 Total Operating Disbursements	\$ 20,950	\$ 20,950
Reorganizational Expenses		
32 Professional Fees	\$ -	\$ -
33 US Trustee Quarterly Fees	\$ -	\$ -
34 Other		\$ -
35 Other		\$ -
36 Total Reorganizational Expenses	\$ -	\$ -
37 Total Disbursements (Lines 31+36)	\$ 20,950	\$ 20,950
38 Cash-End of Month	\$ 229,227	\$ 229,227

Case Name: Petters Aviation, LLC
Case Number: 08-45136-RJK

Itemization of Cash Receipts

<u>Date Received</u>	<u>Payer</u>	<u>Description</u>	<u>Amount</u>
30-Apr	Alliance Bank	Interest Earnings	\$ 175.32

Case Name: Petters Aviation, LLC

Case Number: 08-45136-RJK

Itemization of Cash Disbursements

<u>Date Paid</u>	<u>Payee</u>	<u>Description</u>	<u>Check Number</u>	<u>Amount</u>
2-Apr	ADP	Payroll Fees		\$ 66.04
7-Apr	ADP	Payroll		\$ 10,468.96
7-Apr	Alliance Bank	Bank Service Fee		\$ 10.00
15-Apr	Alliance Bank	Bank Service Fee		\$ 6.00
16-Apr	ADP	Payroll Fees		\$ 66.04
21-Apr	ADP	Payroll		\$ 8,154.49
21-Apr	Alliance Bank	Bank Service Fee		\$ 10.00
23-Apr	PGW	401K true-up for 2009		\$ 2,071.52
23-Apr	Alliance Bank	Bank Service Fee		\$ 10.00
30-Apr	ADP	Payroll Fees		\$ 66.04
30-Apr	Crown Bank	Bank Service Fee		\$ 19.98
30-Apr	MinnWest Bank	Bank Service Fee		\$ 1.05

Case Name: Petters Aviation, LLC
Case Number: 08-45136-RJK

Aging Schedule of Post-Petition Payables

Accounts Payable:	Current 0-30 Days	31-60 Days	61-90 Days	90 & Over Days	Totals
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Month April, 2010

None

Case Name:

Petters Aviation, LLC

Case Number:

08-45136-RJK

Bank Reconciliation

Month:

April, 2010

Bank Account-Purpose:		General	Crown	Crown CD	MinnWest	SW Proceeds	Total
Bank Account Number:		4984	8125	7918	2650	7136	
1	Balance Per Bank Statement	\$ 18,630	\$ 160	\$ -	\$ 7,111	\$ 203,326	\$ 229,227
2	Add: Total Deposits Not Credited	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3	Add: Service Charges	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
4	Subtract: Outstanding Checks	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
5	Subtract: Interest Earned	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
6	End of Month Bank Balance (Per Books)	\$ 18,630	\$ 160	\$ -	\$ 7,111	\$ 203,326	\$ 229,227

Investment Accounts					
	Account Name & Number	Date of Purchase	Type of Instrument	Purchase Price	Current Value
7					
8					
9					
10					
11	Total	\$ -	\$ -	\$ -	\$ -

Case Name: Petters Aviation, LLC
Case Number: 08-45136-RJK

Payments to insiders

<u>Date</u>	<u>Payee(s)</u>	<u>Reason</u>	<u>Amount</u>
7-Apr	Salmen	Payroll	\$ 10,468.96
21-Apr	Salmen	Payroll	\$ 8,154.49

Case Name: Petters Aviation, LLC
Case Number: 08-45136-RJK

Payments to professionals

<u>Date</u>	<u>Payee(s)</u>	<u>Reason</u>	<u>Amount</u>
	None		

Case Name: Petters Aviation, LLC
United States Bankruptcy Court District of Minnesota
Case Number: 08-45136-RJK
Month April, 2010

- 1 Taxes:
Are all post-petition payroll, state and federal taxes current?
Yes
Are all post-petition income taxes, state and federal current?
Yes
Are all other post-petition taxes current?
Yes
If the answer to any of the above questions is no, please list the balances which are outstanding on the schedule of post-petition taxes payable.

- 2 Insurance:
Are workers' compensation, general liability and other necessary insurance in effect?
Yes
Are all premium payments current?
Yes
PLEASE ITEMIZE ALL POLICIES:

Type of Policy	Carrier	Expiration Date	Installment Payment Ammount	Period Covered	Paid Through
A. Airplane General Liability	Priester Aviation	11/1/2010	\$ 19,000	through Oct, 2010	10/31/2010

- 3 Have any payments been made to pre-petition creditors?
Secured No
Priority No
Unsecured No
- 4 Have any assets been sold outside the normal course of business?
No
- 5 Have all funds been deposited in and disbursed from the chapter 11 debtor bank accounts?
Yes
- 6 Are all post-petition accounts receivable due from non-related parties?
Yes
- 7 What specific efforts have been made in the past month toward the development of a Plan of Reorganization?
We continue to work with the our bankruptcy counsel towards the formulation of a plan.

Vince Fusco

Name of attorney: Moss and Barnett, PA
Address: 4800 Wells Fargo Center
90 South Seventh Street
City, State, Zip: Minneapolis, MN 55402-4129
Telephone: (612) 877-5000

I CERTIFY UNDER PENALTY OF PERJURY THAT THE FOLLOWING COMPLETE MONTHLY OPERATING REPORT (MOR), CONSISTING OF MOR-1 THROUGH MOR-11, PLUS AL ATTACHMENTS ARE TRUE AND CORRECT.

Signed: 

Title: Director of Finance

Date: 5/15/10

EXHIBIT D
Most Recently Filed Post-Petition Operating Report of Elite Landings, LLC

Case Name:
Case Number:

Elite Landings, LLC
08-45210-RJK

1 Debtor in Possession (or Trustee) hereby submits this Summary of Financial Status. Dollars reported in (\$1).

2 Asset Structure	End of	End of	As of
	Current Month	Prior Month	Petition Filing
a. Current Assets (Market Value)	\$ 12,630,536	\$ 12,624,920	\$ 12,500,000
b. Total Assets (Market Value)	\$ 12,630,536	\$ 12,624,920	\$ 12,500,000
c. Current Liabilities	\$ 12,000,000	\$ 12,000,000	\$ 12,000,000
d. Total Liabilities	\$ 12,000,000	\$ 12,000,000	\$ 12,000,000

3 Statement of Cash Receipts and Disbursements for Month	Current	Prior	Cumulative
	Month	Month	(Case to Date)
a. Total Receipts	\$ 5,616	\$ 156,114	\$ 1,297,468
b. Total Disbursements	\$ -	\$ -	\$ 2,733,237
c. Excess (Deficiency) of Receipts over Disbursements (a - b)	\$ 5,616	\$ 156,114	\$ (1,435,769)
d. Cash Balance Beginning of Month	\$ 8,058,615	\$ 7,902,501	\$ 9,500,000
e. Cash Balance End of Month (c + d)	\$ 8,064,231	\$ 8,058,615	\$ 8,064,231

4 Profit/(Loss) from Statement of Operations	Current	Prior	Cumulative
	Month	Month	(Case to Date)
	\$ 5,616	\$ 6,114	\$ 130,536
5 Account Receivables (Pre and Post Petition)	\$ 3,000,000	\$ 3,000,000	
6 Post Petition Liabilities	\$ -	\$ -	
7 Past Due Post Petition Accounts Payable (over 30 Days)	\$ -	\$ -	

At the End of this reporting Month:

	Yes	No
8 Have any payments been made on pre-petition debt, other than payments in the normal course to secured creditors or lessors? (if yes, attach listing including date of payment, amount of payment, and payee).		<u>X</u>
9 Have any payments been made to professionals? If yes, attach listing including date of payment, amount of payment, and name of payee).		<u>X</u>
10 If the answer is yes to 8 or 9, were all such payments approved by the court?	<u>N/A</u>	
11 Have any payments been made to officers, insiders, shareholders, relatives? (if yes, attach listing including date of payment, amount and reason for payment, and name of payee).		<u>X</u>
12 Is the estate insured for replacement cost of assets and for general liability?	<u>N/A</u>	
13 Are a plan and disclosure statement on file?		<u>X</u>
14 Was there any post-petition borrowing during this period?		<u>X</u>
15 Check if paid: Post-petition taxes <u>X</u> ; US Trustee Quarterly Fee <u>X</u> ; Check if filing is current for Post-petition tax reporting and tax returns <u>X</u> . (attach explanation, if post-petition taxes or US Trustee Quarterly Fees are not paid current or if post-petition tax reporting and tax return filings are not current.)		

I declare under penalty of perjury that I have reviewed the above summary and attached pages (if applicable), and after making reasonable inquiry believe these documents are correct.

Date: May 15, 2010


Responsible Individual

Case Name:
Case Number:
Comparative Balance Sheet

Elite Landings, LLC
08-45210-RJK

	Assets	Filing Date	Month 1 of Quarter
1	Cash	\$ 9,500,000	\$ 8,064,231
2	Accounts Receivable	\$ 3,000,000	\$ 3,000,000
3	Inventory	\$ -	
4	Notes Receivable	\$ -	\$ 1,566,305
5	Pre-Paid Expenses	\$ -	
6	Other	\$ -	
7	Total Current Assets	\$ 12,500,000	\$ 12,630,536
8	Property, Plant & Equipment	\$ -	
9	Less: Accumulated Depreciation	\$ -	
10	Total Property, Plant & Equipment	\$ -	\$ -
	Other Assets		
11			
12			
13			
14	Total Other Assets	\$ -	\$ -
15	Total Assets	\$ 12,500,000	\$ 12,630,536
17	Accounts Payable		
18	Accrued Professional Fees		
19	Notes Payable		
20	Taxes Payable		
21	Other (List)		
22	Total Post-Petition Debt	\$ -	\$ -
	Pre-Petition Liabilities		
23	Secured Debt		
24	Priority Debt		
25	Unsecured Debt	\$ 12,000,000	\$ 12,000,000
26	Other Debt (List)		
27	Total Pre-Petition Debt	\$ 12,000,000	\$ 12,000,000
28	Total Liabilities	\$ 12,000,000	\$ 12,000,000
	Equity		
29	Owner's/Stockholders' Equity	\$ 500,000	\$ 500,000
30	Retained Earnings (Pre-Petition)		
31	Retained Earnings (Post-Petition)	\$ -	\$ 130,536
32	Total Equity	\$ 500,000	\$ 630,536
33	Total Liabilities & Equity	\$ 12,500,000	\$ 12,630,536

Case Name:
Case Number:
Profit and Loss Statement

Elite Landings, LLC
08-45210-RJK

	Month 1 of Quarter	Quarter Total
1 Gross Revenue	\$ -	\$ -
2 Less: Returns & Discounts	\$ -	\$ -
3 Net Revenue	\$ -	\$ -
Cost of Goods Sold		
4 Materials		\$ -
5 Direct Labor		\$ -
6 Direct Overhead		\$ -
7 Total Cost of Goods Sold	\$ -	\$ -
8 Gross Profit	\$ -	\$ -
Operating Expenses		
9 Officer / Insider Comp		\$ -
10 Selling and Marketing		\$ -
11 General and Administrative		\$ -
12 Rent and Lease		\$ -
13 Other (List)		\$ -
14 Total Operating Expenses	\$ -	\$ -
15 Income Before Non-Operating Income and Expenses	\$ -	\$ -
Other Income and Expenses		
16 Non-Operating Income (List)		\$ -
17 Non-Operating Expenses (List)		\$ -
18 Interest Expense	\$ (5,616)	\$ (5,616)
19 Depreciation Expense		\$ -
20 Amortization Expense		\$ -
21 Other Gain / Loss (List)		\$ -
Reorganization Expenses		
22 Professional Fees	\$ -	\$ -
23 US Trustee Quarterly Fees	\$ -	\$ -
24 Other Reorganization Costs		
25 Total Reorganization Costs	\$ -	\$ -
26 Income Tax	\$ -	
27 Net Profit	\$ 5,616	\$ 5,616

Case Name:
Case Number:
Cash Receipts and Disbursements

Elite Landings, LLC
08-45210-RJK

	Month 1 of Quarter	Cumulative Total
1 Cash-Beginning of Month	\$ 8,058,615	\$ 8,058,615
Receipts from Operations		
2 Cash Sales		\$ -
3 Less: Cash Refunds		\$ -
4 Net Cash Sales	\$ -	\$ -
Collections of Accounts Receivables		
5 Pre-Petition		\$ -
6 Post-Petition		\$ -
7 Other		\$ -
8 Total Operating Receipts (Lines 4+5+6+7)	\$ -	\$ -
Non-Operating Receipts		
9 Loans / Advances		\$ -
10 Sale of Assets		\$ -
11 Other: Interest Earnings	\$ 5,616	\$ 5,616
12 Total Non-Operating Receipts (Lines 9+10+11)	\$ 5,616	\$ 5,616
13 Total Receipts (Lines 8+12)	\$ 5,616	\$ 5,616
14 Total Cash Available (Lines 13+1)	\$ 8,064,231	\$ 8,064,231
Case Name: Elite Landings, LLC		
Case Number: 08-45210-RJK		
Operating Disbursements		
15 Net Payroll		\$ -
16 Payroll Taxes-Paid		\$ -
17 Sales, Use and Other Taxes Paid		\$ -
18 Secured / Rental / Leases		\$ -
19 Utilities		\$ -
20 Insurance		\$ -
21 Inventory Purchases		\$ -
22 Vehicle Expense		\$ -
23 Travel		\$ -
24 Entertainment		\$ -
25 Repairs and Maintenance		\$ -
26 Supplies		\$ -
27 Advertising		\$ -
28 Other (Loan to Petters Aviation):		\$ -
29 Other (bank fees):	\$ -	\$ -
30 Other (DIP Loan to Sun Country):		\$ -
31 Total Operating Disbursements	\$ -	\$ -
Reorganizational Expenses		
32 Professional Fees	\$ -	\$ -
33 US Trustee Quarterly Fees		\$ -
34 Other		\$ -
35 Other		\$ -
36 Total Reorganizational Expenses	\$ -	\$ -
37 Total Disbursements (Lines 31+36)	\$ -	\$ -
38 Cash-End of Month	\$ 8,064,231	\$ 8,064,231

Case Name: Elite Landings, LLC
Case Number: 08-45210-RJK

Itemization of Cash Receipts

<u>Date Received</u>	<u>Payer</u>	<u>Description</u>	<u>Amount</u>
30-Apr	Alliance Bank	Interest Income	\$ 5,616

Case Name: Elite Landings, LLC
Case Number: 08-45210-RJK

Itemization of Cash Disbursements

<u>Date Paid</u>	<u>Payee</u>	<u>Description</u>	<u>Check Number</u>	<u>Amount</u>
30-Apr	None			

Case Name: Elite Landings, LLC
Case Number: 08-45210-RJK

Aging Schedule of Post-Petition Payables

Accounts Payable: Vendor	Current	31-60	61-90	90 & Over	Totals
	0-30 Days	Days	Days	Days	
Month	April				
	None				

Case Name:
Case Number:

Elite Landings, LLC
08-45210-RJK

Bank Reconciliation
Month:

April, 2010

Bank Account-Purpose:
Bank Account Number:

General
4976

Crown
3299

Savings
7398

Total

1	Balance Per Bank Statement	\$	19,687	\$	-	\$	8,044,544	\$	8,064,231
2	Add: Total Deposits Not Credited	\$	-	\$	-			\$	-
3	Add: Service Charges	\$	-	\$	-			\$	-
4	Subtract: Outstanding Checks	\$	-	\$	-			\$	-
5	Subtract: Interest Earned	\$	-	\$	-			\$	-
6	End of Month Bank Balance (Per Books)	\$	19,687	\$	-	\$	8,044,544	\$	8,064,231

Investment Accounts

	Account Name & Number	Date of Purchase	Type of Instrument	Purchase Price	Current Value
7					
8					
9					
10					
11	Total	\$	-	\$	-

Case Name: Elite Landings, LLC
United States Bankruptcy Court District of Minnesota
Case Number: 08-45210-RJK
Month April, 2010

- 1 Taxes:
Are all post-petition payroll, state and federal taxes current?
Yes
Are all post-petition income taxes, state and federal current?
Yes
Are all other post-petition taxes current?
Yes
If the answer to any of the above questions is no, please list the balances which are outstanding on the schedule of post-petition taxes payable.

- 2 Insurance:
Are workers' compensation, general liability and other necessary insurance in effect?
Yes
Are all premium payments current?
Yes
PLEASE ITEMIZE ALL POLICIES:

	Type of Policy	Carrier	Expiration Date	Installment Payment Ammount	Period Covered	Paid Through
A.	NONE					
B.						

- 3 Have any payments been made to pre-petition creditors?
Secured No
Priority No
Unsecured No
- 4 Have any assets been sold outside the normal course of business?
No
- 5 Have all funds been deposited in and disbursed from the chapter 11 debtor bank accounts?
Yes
- 6 Are all post-petition accounts receivable due from non-related parties?
Yes
- 7 What specific efforts have been made in the past month toward the development of a Plan of Reorganization?
We continue to work with the our bankruptcy counsel towards the formulation of a plan.

Vince Fusco

Name of attorney: Moss and Barnett, PA
Address: 4800 Wells Fargo Center
90 South Seventh Street
City, State, Zip: Minneapolis, MN 55402-4129
Telephone: (612) 877-5000

I CERTIFY UNDER PENALTY OF PERJURY THAT THE FOLLOWING COMPLETE MONTHLY OPERATING REPORT (MOR), CONSISTING OF MOR-1 THROUGH MOR-11, PLUS ALL ATTACHMENTS ARE TRUE AND CORRECT.

Signed: 

Title: Director of Finance

Date: 5/15/10

EXHIBIT E
Summary of Claims

Chapter 11 Bankruptcy - Petters Aviation LLC
U.S. Bankruptcy Court - Minn.
Case Number: 08-45136
Judge: Robert J. Kressel

EXHIBIT E-1
Summary of Claims

Claim No.	Creditor's Name	Total Filed Claims Amount	Total Scheduled Claim Amount	Secured Claims Amount	Unsecured Claims Amount	Priority Claims Amount	Date of Filing	Contingent/Unliquidated/Disputed?
	Ace Ice Co. (Shamrock Group)		\$92.00		\$92.00			
20	Acorn Capital Group, LLC Attn: Marlon Quan, CEO	\$10,170,734.42	\$10,000,000.00		\$10,170,734.42		03/12/09	
21	Acorn Capital Group, LLC Attn: Marlon Quan, CEO	\$20,563,358.22			\$20,563,358.22		03/12/09	
1	AFCO Credit Corp	\$63,238.07	\$6,291.35		\$63,238.07		10/24/08	
	Al's Electric of St. Cloud Inc		\$4,437.42		\$4,437.42			
6	Avtech Marketing Inc	\$1,449.93	\$1,449.93		\$1,449.93		12/11/08	
8	Aware Web Solutions Inc.	\$6,380.00			\$6,380.00		01/30/09	
	Brooklyn Printing, Inc.		\$748.30		\$748.30			
	Candid Life Photography Attn: Emily Pillsbury		\$600.00		\$600.00			Duplicate
10	Chase Equipment Leasing, Inc. c/o Allison R. Bach Dickinson Wright PLLC	\$27,000.00				\$27,000.00	02/25/09	Disputed
10	Chase Equipment Leasing, Inc. c/o Allison R. Bach Dickinson Wright PLLC	\$3,863,294.50	\$6,060,130.83	\$6,060,130.83			02/25/09	Unliquidated
10	Chase Equipment Leasing, Inc. c/o Allison R. Bach Dickinson Wright PLLC	\$2,236,705.50			\$2,236,705.50		02/25/09	Disputed
	Cintas Corporation #754		\$131.03		\$131.03			
	Commerical Furniture Services		\$2,123.10		\$2,123.10			
	Crown Bank		\$125,000.00		\$125,000.00			Contingent
	Daimler Chrysler Fin. Svc. Am.		\$9,533.97		\$9,533.97			Contingent/ Unliquidated
	Dan Becker Painting		\$762.00		\$762.00			
	Eastern Aviation Fuels Attn: Robert Stallings		\$30,494.90		\$30,494.90			
	Fafinski Mark & Johnson, P.A.		\$34,480.00		\$34,480.00			
	Federal Express		\$8.44		\$8.44			
	Fredrikson & Byron, P.A.		\$36,436.65		\$36,436.65			
	Fusco, Vincent		\$4,134.40			\$4,134.40		
	Geitzenauer, Susan		\$5,772.43			\$5,772.43		
12	Gonsior, Tim	\$1,926.57			\$1,926.57		03/10/09	
	Hartford Fire Insurance Co.		\$32,482.56		\$32,482.56			
	Hawthorne Corporation Attn: Steve Levesque		\$63,403.37		\$63,403.37			
9	Hetler, Richard	\$41,807,965.00		\$41,807,965.00			02/11/09	Disputed
	Heunisch, Peter		\$2,246.16			\$2,246.16		
	IRS Special Procedures (Bky) Stop 5700		\$0.00			\$0.00		
	Johnson, Peter and Lynne		\$3,191,283.35		\$3,191,283.35			Disputed
	Lyndale Plant Services		\$112.77		\$112.77			

Chapter 11 Bankruptcy - Petters Aviation LLC
U.S. Bankruptcy Court - Minn.
Case Number: 08-45136
Judge: Robert J. Kressel

EXHIBIT E-1
Summary of Claims

Claim No.	Creditor's Name	Total Filed Claims Amount	Total Scheduled Claim Amount	Secured Claims Amount	Unsecured Claims Amount	Priority Claims Amount	Date of Filing	Contingent/Unliquidated/Disputed?
	M&A Apparel & Promotions		\$6,633.84		\$6,633.84			
24	McAfee & Taft	\$1,215.00			\$1,215.00		11/20/09	
	McGee, Kristina		\$1,651.55			\$1,651.55		
	Metropolitan Airports Comm. Att: Jeff Hamiel		\$2,295.79		\$2,295.79			
	Metropolitan Airports Comm. Att: Jeff Hamiel							Contingent/ Unliquidated
	Minnesota Dept. of Revenue Coll. Enf. Unit 550 Bky. Sec.		\$0.00			\$0.00		
5	Minnwest Bank Metro Champlin	\$1,003,972.22	\$1,000,000.00	\$1,003,972.22			12/08/08	Disputed
	Minuteman Press		\$476.83		\$476.83			Disputed
23	MN Airlines LLC	\$383,669.21	\$385,244.21		\$385,244.21		03/12/09	
	National Corp Research, Ltd.		\$1,200.00		\$1,200.00			Contingent/ Unliquidated
	OfficeMax Incorporated		\$247.18		\$247.18			
	Perfection Plus, Inc. Attn: Susan Casaus		\$1,979.79		\$1,979.79			
19	Petters Aircraft Leasing, LLC	\$0.00	\$2,000,000.00		\$2,000,000.00		03/11/09	Unliquidated/Disputed
14	Petters Capital, LLC	\$1,646,000.00	\$1,500,000.00		\$1,646,000.00		03/11/09	Unliquidated/Disputed
15	Petters Company, Inc.	\$4,214,333.33	\$4,000,000.00		\$4,214,333.33		03/11/09	Unliquidated/Disputed
16	Petters Group Worldwide, LLC	\$647,225.62	\$57,919.47		\$647,225.62		03/11/09	Unliquidated/Disputed
18	Petters, Thomas J.	\$0.00	\$21,074.80		\$21,074.80		03/11/09	Disputed
	Pillsbury, Emily		\$600.00		\$600.00			
22	Priester Aviation LLC c/o Richard Peterson CFO	\$296,437.99	\$290,156.85	\$296,437.99			03/12/09	Disputed
	Salmen, T. Jay		\$13,542.54			\$13,542.54		
	Servisair & Shell Fuel Svcs		\$340.20		\$340.20			
	SilverStone Group Attn: Shane Osborne		\$149,055.79		\$149,055.79			
	Sky Food Catering Attn: Asad Gharwal		\$5,725.18		\$5,725.18			
	Stanton Group		\$2,151.57		\$2,151.57			
4	Stringer Business Systems Inc	\$23.81	\$12.91		\$23.81		12/05/08	
13	Sun Minnesota Foreign Holdings, LLC Sun Minnes John Orenstein Ross & Orenstein	\$13,167,808.22	\$12,500,000.00	\$13,167,808.22	\$12,500,000.00		03/10/09	Disputed
	TDS MetroCom- MN		\$1,016.27		\$1,016.27			
3	The Schneider Company Inc.	\$3,565.00	\$3,565.00		\$3,565.00		11/21/08	
17	Thomas Petters, Inc.	\$21,626,084.55	\$415,995.00		\$21,626,084.55		03/11/09	Disputed
	Toshiba Financial Services		\$303.60		\$303.60			
7	US Bancorp Business Equipment Finance Group (Toshiba)	\$18,224.78		\$18,224.78			12/19/08	
	Verizon Airfone, Inc.		\$335.72		\$335.72			
11	Verizon Wireless	\$3,008.24			\$3,008.24		03/02/09	
	Waste Management		\$122.27		\$122.27			
2	Yale Mechanical	\$470.28	\$675.78		\$675.78		11/20/08	
	Totals	\$121,754,090.46	\$41,974,477.10	\$62,354,539.04	\$79,796,856.94	\$54,347.08		

Chapter 11 Bankruptcy - Elite Landing LLC
U.S. Bankruptcy Court - Minn.
Case Number: 08-45210
Judge: Robert J. Kressel

EXHIBIT E-2
Summary of Claims

Claim No.	Creditor's Name	Filed Claims Amount	Scheduled Claims Amount	Secured Claim Amount	Unsecured Claims Amount	Priority Claims Amount	Date of Filing	Contingent/Unliquidated/Disputed?
2	Hawthorne Corp	\$106,409.34			\$106,409.34		03/09/09	Disputed
1	Hettler, Richard	\$41,807,965.00		\$41,807,965.00			02/11/09	Disputed
	IRS Special Procedure		\$0.00			\$0.00		
	MN Department of Revenue		\$0.00			\$0.00		
8	Petters Aircraft Leasing, LLC	\$0.00			\$0.00		03/11/09	Disputed
	Petters Aviation, LLC		\$9,500,000.00		\$9,500,000.00			
3	Petters Capital, LLC	\$0.00					03/11/09	Disputed
5	Petters Company, Inc.	\$0.00	\$500,000.00		\$500,000.00		03/11/09	Disputed
4	Petters Group Worldwide, LLC	\$0.00					03/11/09	Disputed
6	Petters, Thomas J.	\$0.00					03/11/09	Disputed
7	Thomas Petters, Inc.	\$0.00	\$2,000,000.00		\$2,000,000.00		03/11/09	Disputed
	Totals	\$41,914,374.34	\$12,000,000.00	\$41,807,965.00	\$12,106,409.34	\$0.00		

EXHIBIT F
Debtors' Liquidation Cost Analysis

1. Monthly Cost Comparison While Claim Objections and Litigation is Pending.

Cost Item	Chapter 11 Plan	Chapter 7 Liquidation
a. Reorganized Debtor Expenses		
i. Jay Salmen (at \$300 per hour)	\$18,000.00	
ii. Bookkeeper/Accountant	\$2,000.00	\$2,000.00
iii. Misc. Expenses and Contingency	\$1,800.00	\$1,800.00
b. Professional Fees and Expenses		
i. Attorneys Fees	Same	Same ¹
ii. Accountant Fees	Same	Same
iii. Airline Industry and Other Consultants	\$0.00	\$15,000.00 ²

2. Statutory Trustee Fees

Cost Item	Chapter 11 Plan	Chapter 7 Liquidation
a. Existing Cash Assets of Debtor	\$0.00	\$261,750.00 ³
b. Realization on Disputed or Unliquidated Claims Against Sun Country	\$0.00	\$300,000.00 ⁴
c. Pass Through From Petters Aircraft Leasing		
i. Cash (\$3 million)	\$0.00	Undetermined
ii. Petters Aviation Share of Administrative Expense Claim of \$2.1 Million Against Sun Country	\$0.00	Undetermined

¹ Initial cost may be higher for attorneys to familiarize themselves with issues.

² The Whitebox entities dispute that a Chapter 7 trustee would have to retain an airline industry consultant.

³ Chapter 7 trustee fees must be approved by the court as reasonable and cannot exceed the cap set forth in Section 326(a) of the Bankruptcy Code. This estimate is based on cash of \$7,950,000.00 and the cap on trustee fees allowed according to Section 326(a). Actual fees allowed may be lower.

⁴ Upon information and belief, the estimated reorganization value of Sun Country Airlines will be \$20 million according to Sun Country Airlines' consultants. This figure assumes a distribution of 67% of the equity in Sun Country Airlines to Petters Aviation, and other Petters entities, after confirmation of a Sun Country plan, with Petters Aviation and its subsidiaries holding 50% of the Sun Country equity as a result. Because of claim objections and adversary proceeding existing or anticipated, the actual distributions could be higher or lower than the amount estimated.