

Gentlemen and Lady,

After our conference call last evening I feel it is necessary to clear the air so that everyone knows how I perceive the current situation. To be perfectly clear I am “Monday Morning Quarterbacking”. The reason for my acting this way is that I have had the privilege of working for Mr. Epstein for 14 years. He has been very kind to me and my family. His level of trust in me is something I have come to respect not to mention appreciate. If he trusts the person handling the project he is very hands off, but expects to be kept informed. He demands that person to make decisions based on safety and finances.

Larry and Dave are my personal and very close friends and when they ask for help I jump. They go out there way to protect their boss on every level. They also trust my judgment and I would do anything for either of them

So when you read this understand I am prejudice in my statements but my prejudice is based on a long relationship of working with you all.

History:

Mr. Epstein has told me many times “Sean when you want to buy something make the seller believe that you really don’t care if you buy it or not.”

HS 700 Purchase, this was Mr. E’s first aircraft. When we bought this aircraft we performed 9600, 4800, 2400, 1200, 600, 300 150, 48 month, 24 month inspections and had both engines overhauled as part of the deal. Some of these items were not due but I negotiated they been done as part of the transaction. The bill to the seller exceeded \$500,000.00. The aircraft was purchased at below market given the terms.

HS 700 Sale. I negotiated a sale where the prebuy inspection was not extensive and our bill was less than \$25,000.00 this was a retail sale. There were no surprises.

GIIB Sn 151 purchase, this was the second aircraft that Mr. E wanted to purchase. The first aircraft serial number 95 which he really wanted to buy after looking at both sn 95 and 151 I rejected on his behalf after consulting with him. My preliminary review of the aircraft produced some real concerns of well hidden damage in the log books. In fact as you will remember we almost lost this aircraft on the preliminary test flight to Savannah. The prebuy inspection and contract included new paint and interior and engine and APU overhauls. The project lasted one year and Mr. E was very anxious to finally get the completed aircraft, it was late but it was perfect. The bill to the seller exceeded \$500,000.00 in prebuy and warranty claims.

GIV position sale, the green aircraft was ready for delivery. We sold the aircraft to a prospect at above market with no inspections. Gulfsteam threatened to block the sale and needed to be convinced about losing another deal at which point they backed down.

Boeing 727-100, this was an unusual deal due the circumstances however we bought aircraft with a fresh C check and at a price well below historical sales levels.

Bell 407, this transaction involved a prebuy inspection that included a complete Certificate of Airworthiness inspection. The bill to the seller was \$45,000.00. I recommended Sam Redditt on this transaction due to his expertise in the helicopter engineering.

S76

I was not aware of this transaction until the aircraft had been contracted. My knowledge of the deal is mostly the result of the last few days. I do not know the purchase price nor do I really want to know as I do feel Mr. Reenstra is intelligent of the current market. Mr. Reenstra does have a good reputation within the industry and his military record is well known.

What I see is a transaction where Mr. Reenstra determined rightly so that this aircraft was a good baseline S76 that represented the best aircraft on the market. After speaking in depth with the seller it was determined by Mr. Reenstra that they wanted to sell the aircraft AS IS WHERE IS at a retail number. After negotiating a purchase price and a prebuy inspection was complied the aircraft was deemed a "Cream Puff". After this inspection was completed however some addition high value item were noted as needing to be address at the expense of Mr. E. To me this is not acceptable.

This is what Mr. E would have expected giving the history of his aircraft purchases for his account and those of his personal friends based on my experience. He would expect that I copy and consult with his Chief Pilot and Attorney in each and every step of the way. I would also be required to keep Miss Maxwell informed of all major events.

- Preliminary onsite inspection by his agent and crew followed by a report of recommendation to include a maintenance projection for at least 24 months. {due list}
- A budget for the operation
- Market analysis of all aircraft on the market and sales data for the last 12 months.
- Recommended offer price and terms for the purchase.
- Prebuy inspection recommendations to include a heavy but reasonable inspection to determine airworthiness issues today and into the future.
- An assessment of the thinking of the seller.
- Demo Flight/Showing for Mr. E.
- ONSITE Representation during the prebuy inspection

After this briefing was complete Mr. E would give me instructions on how to proceed based on my recommendations. I have always found him to be very quick to return my calls and emails within hours no matter where he was located in the world.

It appears that the inspections performed while being to a reasonable standard did not meet the expectations that I require. Guessing has never been my strong suit. I am very conservative in my purchase analysis of aircraft. I do admit this can result in the loss of an aircraft to another buyer in a market where there is buying pressure. I am not sure if Mr. E was briefed on the thoughts of the seller or the due list of upcoming maintenance.

I would have recommended Keystone Aviation but I would have recommended a 300 hour inspection be performed {would have encompassed an Annual inspection}. I would have required the contract to include airworthiness conditions on all parts including the spares. I would have kept all parties informed of the prebuy activities on a daily basis from the facility.

What I see today that is Mr. Reenstra is very sensitive about this transaction and very upset about real and perceived criticism over this transaction. It is my belief that this transaction follows the path of most or all his deals. His experience leads him to believe that his management produces quality results for his clients. The fact that the aircraft floats were missed and his offer to remedy the mistake he feels is reasonable as to I. His personal reputation is excellent so he might argue his market practices are the norm and mine are extreme.

I do feel the lack of detailed communication in the purchase of a very complicated asset is the result of my reactions today. Having Mr. E owning an aircraft that he now owns and has not even enjoyed a flight in, is already costing money for items that should have been noted in a prebuy inspection is a reasonable reaction. Now one can ask would I have missed these things. At the risk or being arrogant the answer is no. Just as Larry follows a checklist for each flight I follow one for each transaction. It is indeed likely that the paint and interior proceedings will indeed produce more costs items as well. I know Mr. E., Larry and Dave think I am eccentric about this stuff but that is what he pays me do! To protect them and the people they most gracefully refer me.

The arguments over the remedies and the final invoice are not resolved yet and discussion over the final bill is simply anyone's guess. I take the conservative approach as that is what Mr. E. has requested I do. If the final bill is less that he is happy but it better not be more. Anyone telling Mr. E a final number today is not serving the client. A firm and detailed approach the review of the invoice at Keystone is required.

In defense of Mr. Reenstra I do not feel he understood the expectations and I do not think this was his entire fault, but his failure to communicate was. Had he kept Larry informed and presented a due list in the beginning many of these issues would have been averted. At the end of the day the purchase price may show that this was a great deal even with the additional costs. I am working with Sam Redditt know on a market evaluation which we hope to be able to present early next week.

Please everyone and understand I am not on a Witch hunt I am only protecting my client whose level of trust in me is hard for me to appreciate in humanly terms but an honor as well. I only want Mr. E to smile as I have saw him do one humid night in West Palm Beach when two months late we finally delivered the GIIB from completion. A few days earlier he was disappointed we had missed a scheduled trip. But all was forgotten when he saw his aircraft. I want the same thing to happen with this Helicopter and every future aircraft he buys. I want to know the exact cost to the penny and the appreciation of the value.

Again yes I am a "Monday Morning Quarterback" but I have been there and done that so if anyone wants to challenge me, bring it on! Mr. E. deserves no less than our focus and our attention to detail. He expects it and does not wish to be disappointed. I feel that he did not get the information he needed and that is a shame as the opportunity to keep Mr. E and his people informed was not taken.

Honored to work for you and to be your friend,

Sean