

JEGE, LLC
6100 Red Hook Quarter, B3
St. Thomas, USVI 00802

FOR SETTLEMENT PURPOSES ONLY

September 11, 2015

Ms. Kathleen Goncalves
Regional Customer Manager
Rolls-Royce North America, Inc.
12365 152nd Street N.
Jupiter, FL 33478

Re: Gulstream G-IV Aircraft, Serial No. 1085, U.S. Registry No. N-212JE

Dear Ms. Goncalves:

I have just received very disturbing news from my client's chief pilot, Larry Visoski, who related your advice that Rolls-Royce will not honor its agreement or responsibilities in relation to vibration that may be proven to be caused by the existing Rolls-Royce engines equipped on the above-referenced aircraft.

In your previous meetings and telephone conferences with Mr. Visoski, you unequivocally advised Mr. Visoski that if the vibration is remedied by an exchange of the existing engines with loaner engines, your bosses at Rolls-Royce had agreed that the existing engine removal, the delivery, installation and lease costs for the loaner engines, and the early induction of the existing engines for midlife inspection would all be fully covered and be without charge to my client under its corporate care agreement with Rolls-Royce. Mr. Visoski has perfect recall of the April 18th, 2015 phone conversation with you during which you confirmed this agreement, provided that my client caused certain tests and inspections specified by you to be conducted on the aircraft. At your direction and reasonably in reliance on the above agreement from Rolls-Royce, Mr. Visoski caused all such specified tests and inspections to be completed at substantial cost to my client in excess of \$348,000. At the eleventh hour, after conducting all of your required tests and inspections, while we were attempting to finalize plans for the engine swap, you first informed us that the approval from your bosses is now conditional on a subsequent approval from Rolls-Royce Germany, which even yesterday you said you fully expected to be confirmed.

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Mr. Visoski now advises me that you have received preliminary word from Rolls-Royce in Germany, which is subject to a final decision by Rolls-Royce at a meeting on Monday, September 14, 2015, that if the engine swap remedies the vibration issues, then Rolls-Royce will induct the engines for a midlife inspection, but will pay only 70% of the costs for the same, which costs are estimated at \$750,000. In addition, Rolls-Royce is contemplating covering only 70% of the existing engine removal costs and loaner engine delivery, installation and lease costs, which would ordinarily be fully covered under the corporate care agreement.

As you may know my client has operated aircraft for decades, and never during all that time have we ever been subject to such misleading and unprofessional behavior. The issue is very simple, you required us to undergo at considerable expense a multitude of tests and inspections all aimed at your trying to prove that the vibration problem was caused by anything other than your engines. We have done so finding no other cause of the vibration. Now that we are on the verge of confirming that this is indeed an engine problem, you are seeking again to avoid responsibility and violate your express agreement essentially by now agreeing to pay only that percentage of the inspection and loaner costs that have already been paid for with prior monthly corporate care fees.

Your position is improper, in clear violation of your agreement and untenable. I would urge you to reconsider your position, so that we may move forward amicably and avoid any formal action that could cast any doubt in the industry that Rolls-Royce is a professional organization that honors its agreements with and responsibilities to his corporate care customers.

This is without prejudice to any and all rights and claims of JEGE, LLC against Rolls-Royce, all of which are hereby expressly reserved.

Very truly yours,

Darren Indyke
Corporate Counsel