

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

FOR SETTLEMENT PURPOSES ONLY

September 14, 2015

Ms. Jennifer Laing
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. Laing:

I have just received very disturbing news from my client's chief pilot, Larry Visoski, who advised me that Rolls-Royce is not standing by its agreement or meeting its 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 the previous meetings and telephone conferences between Kathleen Goncalves and Mr. Visoski, Ms. Goncalves 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, as well as the midlife inspection itself, 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 Ms. Goncalves during which she confirmed this agreement, provided that my client caused certain tests and inspections specified by her to be conducted on the aircraft. At Ms. Goncalves's 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 Rolls-Royce's required tests and inspections, while we were attempting to finalize plans for the engine swap, Ms. Goncalves first informed us that the approval from her Rolls-Royce bosses was conditional on a subsequent approval from Rolls-Royce Germany, which as recently as last Thursday, Ms. Goncalves said she fully expected to be confirmed. However, as of today, it appears that Rolls-Royce has no intention of honoring its agreement.

Ms. Jennifer Laing, Regional Customer Manager
Rolls-Royce North America, Inc.
September 14, 2015
Page 2

Mr. Visoski advises me that this past Friday Ms. Goncalves received preliminary word from Rolls-Royce in Germany, which was supposed to be subject to a final decision by Rolls-Royce at a meeting today, 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 was contemplating covering only 70% of the existing engine removal costs and loaner engine delivery, installation and lease costs, even though the full payment for which is your absolute obligation under the corporate care agreement.

I understand that we are no longer working with Ms. Goncalves to remedy these issues and that you are the Rolls-Royce representative who will be communicating with us from now on regarding Rolls-Royce's position. I further understand that as of this afternoon, you have advised that there is no commitment from Rolls Royce to cover under the corporate care agreement the existing engine removal costs, and the delivery, installation and lease costs for the loaner engines, even if the engine swap does remedy the vibration problem. As I said, if the engine swap remedies the vibration problem, these costs are unquestionably Rolls-Royce's responsibility under its corporate care agreement and should be paid for in full by Rolls-Royce. I also understand that there has been no further decision from Rolls-Royce regarding covering the costs of the early induction and midlife inspection of the existing engines, even though five months ago your predecessor confirmed that Rolls-Royce would pay 100% of those costs in full. Furthermore, I understand that Rolls Royce is now contemplating another possibility of permanently transferring to my client title to the loaner engines, though you have not proposed any terms for such a title transfer.

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 for 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 by (1) refusing to provide any commitment regarding the costs of the engine swap and lease, (2) disavowing Rolls-Royce's prior agreement to pay the full costs for the early induction and midlife inspection of the engines, and (3) contemplating paying only 70% of the midlife inspection costs (a percentage more than adequately paid for with prior monthly corporate care payments, so that Rolls-Royce itself pays nothing for the inspection).

Ms. Jennifer Laing, Regional Customer Manager
Rolls-Royce North America, Inc.
September 14, 2015
Page 3

If the engine exchange remedies the vibration problem, then Rolls-Royce must pay the full 100% of all costs and expenses with respect to the existing engine removal, the delivery, installation and leases of the loaner engines, and the early induction and midlife inspection of the existing engines. Any other position by you would be 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