

GE Commercial Finance  
Global Asset  
Management

Brian Huber  
Manager Aircraft Remarketing

83 Wooster Heights, Lee Farm  
Danbury, CT 06810

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[REDACTED]

April \_\_, 2016

Mr. Stephen Hanson  
SFS, LLC  
c/o Muchnick, Golieb & Golieb, P.C.  
200 Park Avenue South, Suite 1700  
New York, New York 10003

Dear Mr. Hanson:

Path Air, LLC ("Seller") is pleased to submit to SFS, LLC ("Buyer") this proposal ("Proposal") regarding the sale of a certain Gulfstream 550 s/n 5017, N62MS (the "Airframe"); equipped with two Rolls Royce BR710C4-11 engines, serial numbers 15137 and 15136 (the "Engines"); one Honeywell RE220(GV) auxiliary power unit, s/n P-327 ( the "APU"); together with all of the equipment and accessories installed thereon, as well as all related log books, records and manuals, and all spare parts, loose equipment and support equipment related to said aircraft to the extent that such spare parts, loose equipment and support equipment are in Seller's possession or under Seller's control as of the date of this Proposal (hereinafter collectively the "Aircraft"). Seller further agrees that upon Buyer's signature and return of this Proposal, Seller shall not further solicit, entertain or accept additional offers with respect to the Aircraft until such time as the transaction as contemplated herein is consummated or terminated according to the provisions set forth below.

Seller hereby proposes to sell the Aircraft to Buyer for a purchase price equal to the sum of Eighteen Million Seven Hundred Thousand United States Dollars (\$18,700,000.00) plus any applicable taxes (the "Purchase Price"). The sale of the Aircraft shall be on an "as-is, where-is basis", without any recourse or warranty of any kind, expressed or implied from Seller, except as provided in the Aircraft Warrant Bill of Sale in the form attached hereto as Appendix II.

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The terms of the proposed sale shall be as follows:

1) The Aircraft will be available for pre-purchase inspection immediately following completion of Seller's preliminary "know your customer" and other disclosure requirements to the satisfaction of Seller in its sole discretion (the "KYC Verification"), so that Buyer may determine whether the Aircraft is:

(i) in airworthy condition, with a current and valid U.S. Certificate of Airworthiness, and with all systems, components, installed equipment, and engines in operating condition and functioning in accordance with manufacturer's specifications.;

(ii) current on the manufacturer's recommended maintenance program with all hourly and calendar inspections current through the Closing Date.;

(iii) in compliance, without deferment or extension, with all applicable FAA Airworthiness Directives ("ADs"), Manufacturer's Mandatory Service Bulletins ("MSBs") and Manufacturer's Mandatory Customer Bulletins ("MCBs") which, as at the time of the Inspection (as defined in Section 2) hereof, are required to be completed by the Closing Date.;

(iv) free of damage history and corrosion or otherwise acceptable.;

(v) has current, complete and continuous logbooks from the date of manufacture to the Closing Date, and with all manuals, data, technical records, task cards and information back-to-manufacturer on all life limited parts of the Aircraft.;

(vi) is registered on the United States Civil Aviation Registry; and

(vii) otherwise in condition acceptable to Buyer.

The pre-purchase inspection shall consist of a complete "Aircraft Records Research" and log book review, engine borescope testing of the Engines and the APU, inspection of all calendar and hourly inspection items due through the Closing Date, plus the completion of the upcoming "1A" calendar inspection, the upcoming "2A" hourly inspection, the "144 Month" calendar inspection, and Landing Gear "CIC" application (together with any additional reasonable inspections requested by Buyer and approved by Seller in writing), and a test flight prior to inspections for systems operation and a test flight after completion of inspections to verify proper operation, each of which test flight is not to exceed two hours in duration, with not more than three (3) representatives of Buyer on board to act as observers only subject to such representatives satisfying Seller's passenger screening requirements and executing a passenger waiver in form acceptable to Seller (collectively, the

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"Inspection") at the Pentastar Aviation facility in Waterford, MI (the "Inspection Facility"). Buyer shall be solely responsible for all flat-fee costs associated with the Inspection, as well as the cost of the test flights, which shall consist of twice the cost of fuel plus the cost of pilots and crew ("Flight Costs"). Buyer, in its sole and absolute discretion, shall reject or accept the Aircraft, or conditionally accept the Aircraft subject to Seller's correction of Airworthiness Discrepancies, within five (5) Business Days (as defined in Section 19 hereof) after the completion of the Inspection and the receipt by Buyer from the Inspection Facility of the final written pre-purchase inspection report (the "Report"), which Report Buyer shall request the Inspection Facility to deliver to Buyer promptly. Such acceptance, conditional acceptance or rejection within such five (5) business day period (the "Acceptance Deadline") shall be in writing to Seller in the form of the Certificate of Pre-Delivery Acceptance or Rejection to Seller set forth as Appendix I.

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If Seller notifies Buyer prior to the commencement of the Inspection that it is not satisfied with the results of Seller's preliminary KYC Verification, or if Buyer exercises its right to reject the Aircraft, or if Buyer does not deliver a completed Certificate of Pre-Delivery Acceptance or Rejection to Seller by the Acceptance Deadline, Buyer shall be deemed to have rejected the Aircraft. In any such case, either party shall have the right to terminate this Proposal by written notice to the Escrow Agent referred to below and the other party. In that event, (a) the Escrow Agent shall immediately, and without regard to any notices or demands from Seller or any other person, refund the Deposit referred to below to Buyer, and (b) thereafter, this Proposal shall terminate.

- 2) If Buyer conditionally accepts the Aircraft, subject to the correction of any Airworthiness Discrepancies identified during the Inspection, such Airworthiness Discrepancies shall be corrected by the Inspection Facility prior to the Closing, and Seller shall be responsible to pay directly to the Inspection Facility prior to Closing all invoices of the Inspection Facility for the correction of such Airworthiness Discrepancies at Seller's sole expense. For purposes hereof, "Airworthiness Discrepancy" shall mean any discrepancy that must be repaired or corrected in order for the Aircraft to be airworthy, satisfy the requirements of Sections 1(i), (ii), (iii), and (v) hereof and otherwise be returned to service by the Inspection Facility, as well as any discrepancy that must be repaired, replaced or otherwise corrected in order for the Inspection Facility to fully complete all of the requirements of the upcoming "1A" calendar inspection, the upcoming "2A" hourly inspection, the "144 Month" calendar inspection, and the Landing Gear CIC application, whether or not such inspections and Landing Gear CIC application, and the items required thereby, are due to be completed by the date of Closing.

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- 3) Seller acknowledges that Buyer sent by wire transfer to Insured Aircraft Title Service, Oklahoma City, Oklahoma (the "Escrow Agent"), a refundable good faith deposit in the amount of Five Hundred Thousand United States Dollars (US\$500,000.00) (the "Deposit"), which, after the Aircraft is accepted by Buyer, shall, except as otherwise expressly provided in this Proposal, be credited

toward the Purchase Price due on Closing. Buyer shall be responsible for any and all Escrow Agent fees associated with this proposed sale and shall ensure that the Escrow Agent verifies the origin of funds used to pay the Purchase Price and the Deposit to the satisfaction of Seller. Buyer hereby authorizes Escrow Agent to release to Seller the inbound wire report for funds wired to the Escrow Agent as part of the Deposit and the Purchase Price. Upon acceptance or conditional acceptance of the Aircraft pursuant to Section 2) above, the Deposit shall, except as otherwise expressly provided in this Proposal, be deemed non-refundable. If the Aircraft is rejected or deemed rejected in accordance with Section 2), the Deposit shall be immediately returned to Buyer.

- 4) To the extent permitted by the applicable service program provider, Seller shall cooperate with Buyer, at Buyer's sole cost and expense, to transfer to Buyer on Closing the Rolls-Royce Corporate Care contract covering the Engines as well as any other pre-existing contracts, subscriptions and service programs in respect of the Aircraft, each of which shall be current, up-to-date, and paid in full by Seller for all amounts incurred through the Closing Date (as defined below). Buyer shall be responsible for any ongoing hourly payments and any other amounts incurred after the Closing due under such contracts, subscriptions and service programs and for any transfer fees charged by the providers thereof, as well as the administration and execution of contracts for continued enrollment on such programs from and after the Closing.
- 5) The parties acknowledge and agree that, in the event that Buyer accepts or conditionally accepts the Aircraft by the Acceptance Deadline in accordance with the provisions of Section 2) hereof, the passing of title and formal delivery of the Aircraft to Buyer (the "Closing") shall take place on a Business Day mutually acceptable to Buyer and Seller that is not more than five (5) days after the date of Buyer's Certificate of Pre-Delivery Acceptance or Rejection of the Aircraft, unless Airworthiness Discrepancies have been identified during the Inspection, in which case the Closing shall take place on a Business Day mutually acceptable to Buyer and Seller that is not more than five (5) days after the date all Airworthiness Discrepancies have been corrected, unless extended to another date by mutual agreement of Buyer and Seller (the "Closing Date"). The Closing Date must be a Business Day on which the FAA Registry is fully open for filing title documents. At the time of Closing, the Aircraft shall be located at a location to be mutually agreed upon by Seller and Buyer (the "Delivery Location") (it being understood that Buyer shall be solely responsible for the costs of moving the Aircraft to the Delivery Location).
- 6) The Closing shall take place only after the following conditions precedent have been satisfied:

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  - (a) Seller's obligation to sell and deliver the Aircraft to Buyer on the Closing Date shall be subject to the satisfaction by Buyer of each of the conditions precedent set forth below:

(i) On or before the Closing Date, Buyer shall have delivered to the FAA Counsel (as defined in Section 7 below) in escrow, (A) an executed undated FAA Form 8050-1, "Aircraft Registration Application," registering the Aircraft to Buyer; (B) an Aircraft Warranty Bill of Sale executed by Buyer but undated; and (C) an original copy of the Aircraft Delivery Receipt in form attached hereto as Appendix III duly executed by Buyer but undated,

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(ii) On or before the Closing Date, Buyer shall have delivered to the Escrow Agent, in escrow, funds equal to the amount of the Purchase Price, plus any unpaid Flight Costs due to Seller, plus the Escrow Agent's fee;

(iii) Seller shall have determined that Buyer has fulfilled Seller's know your customer and other disclosure requirements as determined by Seller in its sole discretion; and

(iv) At the time of Closing, Buyer shall not be in breach or default of any of the covenants, agreements and conditions required to be performed or complied with by Buyer prior to the Closing.

(b) Buyer's obligation to purchase and accept delivery of the Aircraft from Seller on the Closing Date shall be subject to the satisfaction by Seller of each of the conditions precedent set forth below:

(i) On or before the Closing Date, Seller shall have delivered to the FAA Counsel, in escrow: (A) an executed undated FAA Form 8050-2, "Aircraft Bill of Sale", transferring ownership of the Aircraft to Buyer; (B) an Aircraft Warranty Bill of Sale executed by Seller but undated;

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(ii) any and all liens, claims and encumbrances to which the Aircraft is subject ("Liens") have been released in a form reasonably satisfactory to Buyer and any entity to which Buyer grants a purchase money security interest in the Aircraft;

(iii) At the time of Closing, the Aircraft shall be located at the Delivery Location, with all Airworthiness Discrepancies corrected and in the same substantially the same condition at the time the Aircraft was accepted by Buyer;

(iii) At the time of Closing, the Aircraft shall be free of all Liens at the FAA Registry and the International Registry (as defined in Section 7(a)(vi) below) other than Liens that will be discharged out of amounts and/or documents then held in escrow by the Escrow Agent; and

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- (iv) At the time of Closing, Seller shall not be in breach or default of any of the covenants, agreements and conditions required to be performed or complied with by Seller prior to the Closing.
  - (c) On the Closing Date and subject to satisfaction (or written waiver by Seller) of the conditions precedent set forth in Section 6)(a) above, Seller shall deliver the Aircraft to Buyer and Buyer shall subject to satisfaction (or written waiver by Buyer) of the conditions precedent set forth in Section 6)(b) above accept delivery of the Aircraft from Seller at the Delivery Location in accordance with the procedures set forth in Section 8 below.
- 7) Subject to the satisfaction of the conditions precedent to Closing set forth in Section 6)(a) and Section 6)(b) above, the closing shall be conducted by the parties via conference call (the "Closing Conference Call") with Daugherty, Fowler, Peregrin, Haught & Jenson 100 N. Broadway, Suite 2000, Oklahoma City, Oklahoma 73102, Telephone: [REDACTED] ("Seller's FAA Counsel") and the Escrow Agent participating in the call. Seller shall pay the entire cost of Seller's FAA Counsel.
- (a) At the Closing, after the representatives of each of the parties hereto and FAA Counsel and Escrow Agent have announced their attendance on the Closing Conference Call, the following shall occur:
    - (i) The Escrow Agent shall confirm that it is holding in escrow funds equal to the entire Purchase Price, plus any amounts due from Buyer to Seller for unpaid Inspection Costs, plus the Escrow Agent's fee;
    - (ii) FAA Counsel shall confirm that it is holding each of the following documents: (A) an Aircraft Registration Application (AC Form 8050-1) covering the Airframe of the Aircraft duly executed by Buyer, but undated, (B) an original copy of the Aircraft Delivery Receipt in form attached hereto as Appendix III duly executed by Buyer but undated, (C) an original FAA Form 8050-2 Aircraft Bill of Sale duly executed by Seller, but undated, and (D) two counterparts of an original Aircraft Warranty Bill of Sale, on duly executed by Seller and the other duly executed by Buyer, but undated; and
    - (iii) FAA Counsel shall confirm that the records of the FAA and the International Registry then reflect that Seller is the record owner of the Airframe and the two Engines, free and clear of all recorded liens, claims and encumbrances (and FAA Counsel shall so advise the participants on the Closing Conference Call).

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(iv) Provided that each of the confirmations set forth in clauses (i) – (iii) above has been made, Buyer shall immediately instruct Escrow Agent to wire the Purchase Price, plus any amounts due to Seller for unpaid Inspection Costs, to Seller in accordance with the wire transfer instructions previously provided to the Escrow Agent by Seller.

(v) After Escrow Agent's representative has announced to the participants on the Closing Conference Call that Escrow Agent has initiated the above described wire transfer of the Purchase Price to Seller's account, Seller shall, as promptly as is possible, obtain confirmation from its bank that the wire transfer of the Purchase Price has been received and, immediately thereupon, (A) Seller's representative shall announce the confirmation of such receipt to the other participants on the Closing Conference Call, (B) FAA Counsel shall immediately date and file each of the original FAA Form 8050-2 Aircraft Bill of Sale and the Aircraft Registration Application (AC Form 8050-1) with the FAA for recordation and, upon doing so, shall then notify each of the participants on the Closing Conference Call of the time of filing of each of such documents, (C) FAA Counsel shall date and release the Aircraft Warranty Bill of Sale executed by Seller out of escrow to Buyer and the Aircraft Warranty Bill of Sale executed by Buyer and the Aircraft Delivery Receipt to Seller, and (D) Seller shall deliver possession of the Aircraft to Buyer at the Delivery Location.

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(vi) Immediately upon confirmation that such documents have been filed with the FAA, FAA Counsel, as Buyer's "professional user entity," shall initiate a "sale" filing with respect to the Airframe and Engines at the International Registry in favor of Buyer, and FAA Counsel, as Seller's "professional user entity," shall discharge any registration with the International Registry established pursuant to the Convention on International Interests on Mobile Equipment and Protocol thereto on Matters specific to Aircraft Equipment on the Aircraft (the "International Registry") of any other international interest, sale, prospective international interest or prospective sale with respect to the Airframe or Engines, and consent to Buyer's registration of a sale with respect to the Airframe and Engines.

(b) The parties agree that each of the steps set forth in Section 7)(a)(v)-(vi) is interdependent with all of the others. Once the Closing process described in Section 7)(a)(v)-(vi) has begun, it shall be irrevocable, and no one shall have any right to demand or to comply with any demand that the process be stopped prior to completion of each of the foregoing steps.

8) Buyer expressly acknowledges that, THE AIRCRAFT IS SOLD TO BUYER ON AN "AS IS", "WHERE IS" BASIS WITHOUT RECOURSE TO, OR WARRANTY OF ANY KIND OR

NATURE BY, SELLER, EXCEPT THE WARRANTIES EXPRESSLY SET FORTH IN SECTION 11)(b) BELOW AND IN THE AIRCRAFT WARRANTY BILL OF SALE. THE WARRANTIES SET FORTH HEREIN AND THEREIN ARE EXCLUSIVE AND IN SUBSTITUTION FOR, AND BUYER HEREBY WAIVES, RELEASES AND RENOUNCES, ANY AND ALL OTHER WARRANTIES, INCLUDING, WITHOUT LIMITATION, ANY SUCH WARRANTIES CONTAINED IN THE AIRCRAFT LOGBOOKS OR OTHER AIRCRAFT DOCUMENTATION, WHICH BUYER MAY HAVE AGAINST SELLER ARISING BY LAW OR OTHERWISE, WITH RESPECT TO ANY DEFECT IN THE AIRCRAFT WHETHER OR NOT DISCOVERABLE BY SELLER OR BUYER. THE PARTIES SPECIFICALLY STATE, ACKNOWLEDGE AND AGREE THAT REGARDING THE CONDITION OF THE AIRCRAFT, THERE IS: (a) NO WARRANTY AS TO THE AIRWORTHINESS OR CONDITION OF THE AIRFRAME, ENGINES OR ANY COMPONENT OR OTHER ITEM DELIVERED PURSUANT HERETO; (b) NO IMPLIED WARRANTY OF MERCHANTABILITY OR FITNESS FOR USE; (c) NO IMPLIED WARRANTY ARISING FROM COURSE OF PERFORMANCE, COURSE OF DEALING OR USAGE OF TRADE; (d) NO OBLIGATION, LIABILITY, RIGHT, CLAIM OR REMEDY IN TORT, WHETHER OR NOT ARISING FROM THE ACTUAL OR IMPUTED NEGLIGENCE OF EITHER SELLER OR BUYER OR THEIR ASSIGNS; AND (e) NO OBLIGATION, LIABILITY, RIGHT, CLAIM OR REMEDY FOR LOSS OF OR DAMAGE TO ANY TANGIBLE OR INTANGIBLE THING, FOR LOSS OF USE, REVENUE, PROFIT OR TAX BENEFIT, OR FOR ANY OTHER DIRECT, INCIDENTAL OR CONSEQUENTIAL DAMAGES OF ANY KIND.

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- 9) The parties hereto hereby agree that except as expressly provided in Section 8)(a)(vi) above, no registrations of the Aircraft at the International Registry will be registered, requested or demanded by either party hereto. Buyer hereby agrees that as between Seller and Buyer that this Proposal does not create any "international interest", "prospective sale" or except as expressly provided in Section 7(a)(vi) above, any "contract of sale" in favor of Buyer.

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- 10) Risk of loss or destruction of, and damage to, the Aircraft shall pass to Buyer at the time the FAA Aircraft Bill of Sale is filed with the FAA. If the Aircraft is destroyed prior to that time, (i) the Escrow Agent shall immediately, and without regard to any notices or demands from Seller or any other person, refund the Deposit referred to below to Buyer, and (ii) thereafter, this Proposal shall terminate. If the Aircraft is damaged prior to that time, Buyer shall have the right to terminate this Proposal on written notice to Seller and the Escrow Agent. In that case, (A) the Escrow Agent shall immediately, and without regard to any notices or demands from Seller or any other person, refund the Deposit referred to below to Buyer, and (B) thereafter, this Proposal shall terminate.

11) (a) By executing this Proposal, Buyer hereby represents and warrants to Seller that on the date hereof and as of the Closing Date as follows: (i) Buyer is and will be in full compliance with all laws and regulations applicable to it including, without limitation, (A) ensuring that no person who owns a controlling interest in or otherwise controls Buyer is or shall be (I) listed on the Specially Designated Nationals and Blocked Person List maintained by the Office of Foreign Assets Control ("OFAC"), Department of the Treasury, and/or any other similar lists maintained by OFAC pursuant to any authorizing statute, Executive Order or regulation or (II) a person designated under Section 1(b), (c) or (d) of Executive Order No. 13224 (September 23, 2001), any related enabling legislation or any other similar Executive Orders, and (B) compliance with all applicable Bank Secrecy Act ("BSA") laws, regulations and government guidance on BSA compliance and on the prevention and detection of money laundering violations; (ii) Buyer has adequate power and capacity to enter into, and perform under, the transaction as described herein and is duly qualified to do business wherever necessary to carry on its present business and operations with respect to the Aircraft; (iii) this Proposal has been duly authorized, executed and delivered by Buyer and upon Buyer's acceptance or conditional acceptance of the Aircraft pursuant to Section 2) above will constitute a valid, legal and binding agreement, enforceable in accordance with its terms, except to the extent that the enforcement of remedies may be limited under applicable bankruptcy and insolvency laws; (iv) no approval, consent or withholding of objections is required from any governmental authority or entity with respect to the entry into or performance by Buyer of the transaction described herein except such as have already been obtained; and (v) the entry into and performance by Buyer of the transactions described herein do not and will not: (A) violate any judgment, order, law or regulation applicable to Buyer or any provision of Buyer's organizational documents; or (B) result in any breach of, constitute a default under or result in the creation of any lien, charge, security interest or other encumbrance pursuant to any indenture, mortgage, deed of trust, bank loan or credit agreement or other instrument to which Buyer is a party.

(b) By executing this Proposal, Seller hereby represents and warrants to Buyer that on the date hereof and as of the Closing Date as follows: (i) Seller has title to the Aircraft and will at Closing convey to Buyer title to the Aircraft, free and clear of all ~~Liens, claims and encumbrances~~ ("Liens"); (ii) Seller has adequate power and capacity to enter into, and perform under, the transaction as described herein and is duly qualified to do business wherever necessary to carry on its present business and operations with respect to the Aircraft; (iii) this Proposal has been duly authorized, executed and delivered by Seller and upon Buyer's acceptance or conditional acceptance of the Aircraft pursuant to Section 2) above will constitute a valid, legal and binding agreement, enforceable in accordance with its terms, except to the extent that the enforcement of remedies may be limited under applicable bankruptcy and insolvency laws; (iv) no approval, consent or withholding of objections is required from any governmental authority or entity with respect to the entry into or performance by Seller of the transaction described herein except such as have already been obtained; and (v) the entry into and performance by Seller of the transactions described herein do not and will not: (A) violate any

**Deleted:** Liens arising by, through or created by Seller ("Seller's")

judgment, order, law or regulation applicable to Seller or any provision of Seller's organizational documents; or (B) result in any breach of, constitute a default under or result in the creation of any lien, charge, security interest or other encumbrance pursuant to any indenture, mortgage, deed of trust, bank loan or credit agreement or other instrument to which Seller is a party.

- 12) Neither party shall be liable for any failure or delay in closing the transaction contemplated hereby (other than for delay in the payment of money due and payable hereunder unless caused by a failure of the Federal Reserve wire transfer system) to the extent said failures or delays are proximately caused by events or circumstances beyond that party's control and occurring without its fault or negligence, including, without limitation, Acts of God or any governmental agency or authority, or any casualty occurrence or damage affecting the Aircraft (any such event, a "Force Majeure Event"). If such Force Majeure Event continues for ten (10) days from the onset, either party may terminate this Proposal, in which case, the terminating party shall notify the other party in writing of its intent to terminate this Proposal and instruct the Escrow Agent to return the Deposit to Buyer. In that event, the Escrow Agent shall immediately refund the Deposit to Buyer, and thereafter this Proposal shall terminate.
  
- 13) Except with respect to Seller's agreement that upon Buyer's signature and return of this Proposal, it will not further solicit, entertain or accept additional offers with respect to the Aircraft until such time as the transaction contemplated hereby is consummated or terminated according to the provisions hereof and the requirements set forth in Section 2) hereof and Section 3) hereof and as described in this Section, this Proposal (a) is not intended to, and does not create any binding legal obligation on either party; (b) is not, and is not to be considered to be, a commitment by Seller or Buyer or any of their respective affiliates to enter into the proposed sale; (c) is an expression of both parties' interest to consider the transaction generally based upon the terms and conditions outlined herein; and (d) **notwithstanding anything in this Proposal to the contrary, upon written acceptance or written conditional acceptance by the Buyer of the Aircraft pursuant to Section 2) hereof, this Proposal shall become a fully valid agreement that is binding on both Seller and Buyer and enforceable against each of them in accordance with its terms, notwithstanding any reference to such agreement as a "Proposal"**.
  
- 14) Failure by Buyer, through no fault of Seller, to pay the Purchase Price at Closing in accordance with this Proposal, or to Deliver at Closing the Aircraft Registration Application, or any other failure or refusal by Buyer to perform any of its obligations under this Proposal, or any material misrepresentation by Buyer expressly provided in this Proposal, as a result of which Closing does not take place, shall, upon Seller's giving Buyer notice of such failure and Buyer's failure to cure the same within three business days thereafter, and Seller's actual or offered performance of all its obligations herein, constitute a breach of this Proposal by Buyer, and the parties hereto expressly agree that in the event of such breach by Buyer, the Deposit shall be forfeited by Buyer, and the Deposit shall be distributed by Escrow Agent to Seller as liquidated damages and as its sole and

exclusive remedy, all other remedies, including but not limited to incidental and consequential damages, being hereby WAIVED by Seller. Buyer and Seller hereby agree that actual damages, if any, to Seller would be speculative and difficult to ascertain, and the Deposit shall serve as complete liquidated damages to Seller, and that the Deposit amount is a reasonable forecast of Seller's actual damages in such event, and Buyer shall have no further or other liability in connection herewith. Seller shall have the right at any time in its sole discretion to terminate this Proposal to the extent the Buyer does not meet Seller's KYC Verification as determined by Seller in its sole discretion and in such event, Buyer shall be entitled to the return of the Deposit. Both Seller and Buyer acknowledge that the return of the Deposit to Buyer shall be the sole and exclusive remedy of Buyer, and all other remedies, including but not limited to incidental and consequential damages, being hereby WAIVED by Buyer.

Failure by Seller, through no fault of Buyer, to deliver at Closing the Aircraft in the condition required by this Proposal, the FAA Aircraft Bill of Sale, the Aircraft Warranty Bill of Sale or any other Closing documents required hereby, or any other failure or refusal by Seller to perform any of its obligations under this Proposal, or any material misrepresentation by Seller expressly made in this Proposal, as a result of which Closing does not take place, shall, upon Buyer's giving Seller notice of such failure and Seller's failure to cure the same within three business days thereafter, upon Buyer's actual or offered performance of all of its obligations herein, constitute a breach of this Proposal by Seller. The parties hereto expressly agree that in the event of such breach by Seller, or in the event of Seller's refusal to close or election to terminate this Agreement, after the commencement of the Inspection, as a result of Seller's determination in Seller's sole discretion that Buyer does not meet Seller's KYC Verification or that Buyer has not ensured that the Escrow Agent verified the origin of the funds used to pay the Purchase Price or the Deposit as provided in Section 3) above, as Buyer's sole and exclusive remedy, Buyer shall be entitled to (a) the immediate return from the Escrow Agent of the Deposit, together with the Balance of the Purchase Price, if the same was previously paid to the Escrow Agent, and (b) payment to Buyer by Seller of an amount equal to the sum of all of the costs, fees and expenses, of the Inspection, including, without limitation, Flight Costs, and Escrow Agent fees paid by, or not as then paid, but due from, Buyer. All other remedies of Buyer, including but not limited to incidental and consequential damages, are hereby WAIVED by Buyer. Upon the Escrow Agent's return of the Deposit, and the balance of the Purchase Price previously paid by Buyer, and Seller's payment to Buyer of the sum of all such costs, fees and expenses of Inspection, Seller shall have no further or other liability in connection with such breach.

Buyer acknowledges that this Proposal is being provided by Seller to Buyer prior to Seller having completed its KYC Verification. Subject to the provisions of Section 14 hereof, Seller shall not be responsible in any way for any costs and expenses incurred by Buyer in connection with the transactions described herein in the event that Seller is not satisfied with the results of its KYC

Verification. ~~Subject to the provisions of Section 14 hereof, notwithstanding anything else in this~~ Deleted: Notwithstanding anything  
Proposal to the contrary, if, at any time prior to completion of the Closing, Seller notifies Buyer that  
Seller is not satisfied with the results of its KYC Verification, Seller shall instruct Escrow Agent to  
return ~~to the Buyer the Deposit and, if then already paid to the Escrow Agent by the Buyer, the~~ Deleted: the Deposit to Buyer.  
~~balance of the Purchase Price.~~ In that event, (a) the Escrow Agent shall immediately, and without Deleted: .  
regard to any notices from or demands or consents by Seller or any other person, refund the Deposit  
~~and any such Purchase Price balance to Buyer, and if required pursuant to the provisions of Section~~  
~~14) hereof, Seller shall make payment to the Buyer as required therein, and (b) thereafter, this~~ Deleted: 0  
Proposal shall terminate.

15) This Proposal and the rights hereunder shall not be assigned by either party hereto without the prior written consent of the other party hereto and any such attempted sale shall be void *ab initio*; provided, however, that subject to satisfaction of Seller's KYC Verification as determined by Seller in its sole and reasonable discretion and execution of a written assignment document in form acceptable to Seller, Buyer may assign its interests in this Proposal to a lender providing financing to Buyer in connection with this transaction. No assignment shall relieve the assignor of any of its obligations under this Proposal. This Proposal shall be governed by the laws of the State of New York without regard to conflicts of law principles other than Section 5-1401 and Section 5-1402 of the New York General Obligations Law. Each party hereby irrevocably submits to the exclusive jurisdiction of the federal and state courts located in the State and County of New York in connection with any legal action, suit or proceeding with respect to any matter relating to or arising out of or in connection with this Proposal and fully waives any objection to the venue of such courts. To the fullest extent permitted by applicable law, each party hereby waives, and agrees not to assert, by way of motion, as a defense or otherwise, in any such suit action or proceeding any claim that is not personally subject to the jurisdiction of the above-named courts, that the suit, action or proceeding is brought in an inconvenient forum, or that the venue of the suit, action or proceeding is improper. Each party hereby unconditionally waives its rights to a jury trial of any claim or cause of acting arising out of the transactions contemplated by this Proposal.

16) To help the government fight the funding of terrorism and money laundering activities, Seller is required to obtain, verify and record information that identifies each person who enters into a transaction with Seller. What this means for Buyer is that , Seller will ask for Buyer's name, address, and other information that will allow Seller to identify Buyer and Buyer's beneficial owners and related parties to the satisfaction of Seller. In connection with such inquiries by Seller, Seller may also ask to see identifying documents. Buyer hereby agrees to provide Seller with the information requested in accordance with this Section, ~~16~~. Deleted: 17

17) Seller shall be responsible for, and hereby agrees to pay, any sales, use, excise and property taxes or any other taxes or tariffs assessed or levied by any taxing or governmental authority with respect to

the purchase, ownership, operation, importation or exportation of the Aircraft prior to the Closing. Seller shall be responsible for, and hereby agrees to pay any income taxes imposed on Seller as a result of the sale of the Aircraft to Buyer hereunder, and any deferred taxes assessed and/or pertaining to events having occurred prior to the Closing. Buyer shall be responsible for, and hereby agrees to pay, any sales, use, excise and property taxes or any other taxes or tariffs assessed or levied by any taxing or governmental authority upon or as a result of the sale and purchase of the Aircraft hereunder or the ownership, operation, importation or exportation of the Aircraft on or after the Closing.

- 18) Each party agrees that it will treat the Purchase Price as confidential and will not, without the prior written consent of the other, disclose such Purchase Price to any third party, except for disclosure to its lenders or other funding sources, attorneys, auditors, brokers, industry advisors, consultants or its successors or permitted assigns or as may reasonably be believed to be required by subpoena, applicable law or governmental regulations or as may be necessary to effect the transactions contemplated hereby, in which case the party so disclosing shall use good faith efforts to limit disclosure to such third parties on a need-to-know basis.
- 19) All notices and other communications required or permitted to be given under this Proposal shall be in writing and either hand-delivered or sent by PDF attachment to e-mail or nationally-utilized overnight delivery service on a priority basis, addressed as set forth in Appendix IV. Notices given by e-mail (other than PDF), fax or postal service shall not be effective. Any person may change its address for receipt of notices by written notice given as prescribed above. Notices shall be deemed to have been given and made on the Business Day on which hand-delivered or sent by PDF, or one Business Day after having been sent by nationally-utilized overnight delivery service on a priority basis. For all purposes of this Proposal, the term "Business Day" means any day (other than a Saturday or Sunday) on which banks in New York, New York are required or authorized to open for business.
- 20) Each party represents that it has not entered into any agreement for consulting fees, commissions, brokerage fees or similar fees to be paid in connection with the transactions contemplated by this Proposal that would become the obligation of the other party. Buyer represents and warrants to Seller that it shall not enter into any agreement with any broker, dealer, advisor, finder or provider of similar services. Seller agrees to be responsible for and to pay the fees and expenses of Avpro Inc. in connection with the transactions contemplated by this Proposal in accordance with the terms and conditions of a separate agreement between them.
- 21) This Proposal (including all Appendices) may for all purposes be executed in several counterparts, each of which shall be deemed an original, and all such counterparts, taken together, shall constitute one and the same instrument, even though all parties may not have executed the same counterpart.

Each party may transmit its signature by PDF to the other party, and any signature and/or counterpart sent in this manner shall have the same force and effect as a manually executed original.

22) This Proposal (including the Appendices hereto) sets forth the entire understanding between the parties with respect to sale and purchase of the Aircraft and supersedes any and all other agreements, understandings, communications, representations or negotiations, whether oral or written, relating thereto. This Proposal may not be modified, waived or amended other than by an instrument in writing executed by both Seller and Buyer.

If you are in concurrence with the terms of this Proposal, please acknowledge by signing the acceptance below and returning it by pdf to [REDACTED] by 5:00 p.m. on April, 2016.

Deleted: March 28,

Should you have any questions, please contact me on [REDACTED].

Sincerely,

PATH AIR, LLC

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

of GE Capital US Holdings, Inc., its attorney in fact

The foregoing Proposal is hereby accepted:

SFS, LLC

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

ESCROW AGENT:

Insured Aircraft Title Service hereby accepts the terms and conditions of this Proposal and agrees to perform and discharge all of the duties and obligations of the Escrow Agent hereunder strictly in accordance with the terms hereof:

Insured Aircraft Title Service

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

## Appendix I

### CERTIFICATE OF PRE-DELIVERY ACCEPTANCE OR REJECTION

#### CHOOSE ONE:

\_\_\_\_\_ The Aircraft, as described below, has been inspected and flown to determine that the Aircraft is satisfactory to Buyer and Buyer's selection of this option and signature on this Certificate of Pre-Delivery Acceptance or Rejection evidences its unconditional acceptance of the Aircraft in accordance with the terms of the Proposal between Buyer and Seller dated March 24, 2016 (the Proposal"), subject in all respects to performance in full by Seller of all of its obligations thereunder.

\_\_\_\_\_ The Aircraft, as described below, has been inspected and flown to determine that the Aircraft is satisfactory to Buyer, subject to Seller's remedying, at its sole cost and expense, the Airworthiness Discrepancies (as defined in the Proposal) identified during such inspection, and Buyer's selection of this option and signature on this Certificate of Pre-Delivery Acceptance or Rejection evidences Buyer's acceptance of the Aircraft in accordance with the terms of the Proposal, subject to the Seller's remedying said Airworthiness Discrepancies and subject further in all respects to performance in full by Seller of all of Seller's obligations thereunder. Said Airworthiness Discrepancies are listed on the attachment to this Certificate of Pre-Delivery Acceptance or Rejection.

\_\_\_\_\_ The Aircraft, as described below, is hereby rejected by Buyer in its sole discretion. Buyer hereby terminates the Proposal and Seller is free to remarket the Aircraft to any person or entity it sees fit, and the Deposit referred to in the Proposal shall be immediately returned to Buyer at Buyer's direction:

#### Aircraft Description:

Make and Model:	Gulfstream 550
Serial No.:	5017
Registration No.:	N62MS
Make and Model of Engines:	Rolls-Royce BR710C4-11
Serial numbers:	15137 and 15136.
Make, Model and Ser. No. of APU:	Honeywell RE220(GV), P-327

IN WITNESS WHEREOF, Buyer has caused this Certificate of Pre-Delivery Acceptance or Rejection to be executed by its duly authorized representative this \_\_\_\_ day of \_\_\_\_\_ 2016.

SFS, LLC

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

Appendix II

AIRCRAFT WARRANTY BILL OF SALE

Deleted: LIMITED

Path Air, LLC ("Seller") in consideration of the sum of Eighteen Million Five Hundred Thousand United States Dollars (\$18,500,000.00) paid by SFS, LLC (hereinafter called "Buyer"), receipt of which is acknowledged, hereby grants, sells, transfers and delivers to Buyer the airframe, engines and auxiliary power unit described below, together with all of the equipment and accessories installed thereon, all related log books, records and manuals, and all spare parts, loose equipment and support equipment related to thereto to the extent such spare parts, loose equipment and support equipment are in Seller's possession or under Seller's control (the "Aircraft"):

Aircraft Description:

Make and Model: Gulfstream 550
Serial No.: 5017
Registration No.: N62MS
Make and Model of Engines: Rolls-Royce BR710C4-11, Serial numbers:15137 and 15136
Make and Model of APU: Honeywell RE220 (GV)
Serial Number: P-327.

BUYER IS PURCHASING THE AIRCRAFT DESCRIBED ABOVE IN RELIANCE UPON ITS PERSONAL INSPECTION AND KNOWLEDGE OF THE AIRCRAFT AND IN AN "AS IS, WHERE-IS" CONDITION.

EXCEPT AS SET FORTH HEREIN, SELLER MAKES NO WARRANTIES, EXPRESS OR IMPLIED, OF ANY KIND OR NATURE EXCEPT THAT (1) BUYER WILL ACQUIRE BY THE TERMS OF THIS AIRCRAFT WARRANTY BILL OF SALE TITLE TO THE AIRCRAFT FREE FROM ALL LIENS, CLAIMS AND ENCUMBRANCES AND (2) SELLER HAS THE RIGHT TO SELL THE AIRCRAFT. WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, SELLER MAKES NO WARRANTIES WITH RESPECT TO THE QUALITY, CONTENT, CONDITION MERCHANTABILITY, OR FITNESS FOR A PARTICULAR PURPOSE OF THE AIRCRAFT AND NO WARRANTIES AGAINST PATENT INFRINGEMENT OR THE LIKE AND NO WARRANTIES WITH RESPECT TO, OR ARISING OUT OF, THE ACCURACY, COMPLETENESS, CONTENT OR EXISTENCE, OF ANY LOG BOOKS, CERTIFICATES, OR MAINTENANCE RECORDS.

Deleted: LIMITED

Deleted: CREATED BY SELLER OR ANY PERSON CLAIMING BY, THROUGH OR UNDER SELLER,

Buyer agrees to save and hold harmless Seller from and against any and all federal, state, municipal and local license fees and taxes of any kind or nature that Buyer would normally incur, or that would normally be assessed against Buyer as a consequence of the sale of the Aircraft to Buyer, or the ownership, possession, operation or use of the Aircraft by, Buyer from and after the execution and delivery of this Aircraft Warranty Bill of Sale to Buyer. This Aircraft Warranty Bill of Sale may for all purposes be executed in several counterparts, each of which shall be deemed an original, and all such counterparts, taken together, shall constitute one and the same instrument, even though both parties may not have executed the same counterpart.

Deleted: Limited

Deleted: Limited

IN WITNESS WHEREOF, Seller and Buyer have executed this Aircraft Warranty Bill of Sale this \_\_\_ day of \_\_\_, 2016.

Deleted: Limited

SELLER:

BUYER:

PATH AIR, LLC

SFS, LLC

By: \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

of GE Capital US Holdings, Inc., attorney in fact

**Appendix III**

**AIRCRAFT DELIVERY RECEIPT**

TYPE AIRCRAFT: Gulfstream 550

SERIAL NUMBER: 5017

REGISTRATION NO.: N62MS

PLACE OF DELIVERY: \_\_\_\_\_

DATE OF DELIVERY: \_\_\_\_\_ TIME OF DELIVERY: \_\_\_\_\_

AIRFRAME HOURS: \_\_\_\_\_

LANDINGS: \_\_\_\_\_

ENGINE SERIAL NUMBER 15137:

TOTAL TIME: \_\_\_\_\_ TOTAL CYCLES: \_\_\_\_\_

ENGINE SERIAL NUMBER 15136:

TOTAL TIME: \_\_\_\_\_ TOTAL CYCLES: \_\_\_\_\_

APU SERIAL NUMBER P-327

TOTAL TIME: \_\_\_\_\_ TOTAL CYCLES: \_\_\_\_\_

Received from Path Air, LLC ("Seller"), at the time and place set forth above, in accordance with the Aircraft Warranty Bill of Sale dated as of \_\_\_\_\_, 2016 between Seller and SFS, LLC ("Buyer").

**Deleted:** Limited

The undersigned is authorized by Buyer to accept the above referenced Aircraft and has accepted same.

**(signature page follows)**

**IN WITNESS WHEREOF**, Buyer has caused this Aircraft Delivery Receipt to be executed by its duly authorized representative this \_\_\_\_ day of \_\_\_\_\_, 2016.

Used Aircraft Accepted and Received by:

**BUYER:**

**SFS, LLC**

BY: \_\_\_\_\_

TITLE: \_\_\_\_\_

DATE: \_\_\_\_\_

**Appendix IV**

**ADDRESSES FOR NOTICES**

Seller:

Path Air, LLC  
83 Wooster Heights, Lee Farm  
Danbury, Connecticut 06810  
Attn: Brian Huber  
E-mail: [REDACTED]

Buyer:

SFS, LLC  
c/o Muchnick, Golieb & Golieb, P.C.  
200 Park Avenue South, Suite 1700  
New York, New York 10003  
E-mail:

Escrow Agent:

Insured Aircraft Title Service  
P.O. Box 19527  
Oklahoma City, OK 73144  
Attn:  
E-mail: