



**Lee Medlin**  
Manager, Corporate Aviation Services

March 23, 2017

**Via E-mail/Facsimile**

Darren Indyke, Esq.  
6100 Red Hook Quarter, B3  
St. Thomas, USVI 00802  
Facsimile: 646-350-0378

Dear Mr. Indyke:

This letter is to notify you of the obligations of Plan D, LLC ("Buyer") under the Aircraft Sale and Purchase Agreement (the "Agreement") dated February 24, 2017 between Buyer and Chevron U.S.A. Inc. ("Seller") for the sale of the Gulfstream GV-SP Aircraft (G550) (SN 5173) (the "Aircraft") from Seller to Buyer. Capitalized terms are defined in the Agreement.

The definition of Closing Date specifies that it is to occur within two Business Days following successful completion of the Inspection, correction of Inspection Discrepancies, and the Aircraft's return to service by the Inspection Facility (which is Gulfstream Aerospace Corporation's ("Manufacturer") Westfield Service Center near Springfield, Massachusetts).

Manufacturer's final Aircraft Records and Condition Survey ("Inspection Report") was delivered to Buyer on Monday, March 20 and the Manufacturer returned the Aircraft to service on Wednesday, March 22 with all discrepancies corrected. In accordance with the Agreement, the Closing Date should be Friday, March 24, 2017. Moreover, earlier this week Seller's broker arranged with Mr. Visoski on behalf of Buyer a Closing Date of March 24.

However, on Tuesday evening, March 21, Mr. Visoski expressed reservations about proceeding with the sale given indication in the 2011 Aircraft flight records of a suspected lightning strike that occurred during a Seller flight in

Corporate Aviation Services  
Chevron U.S.A. Inc.  
P.O. Box 6565, Oakland, CA 94603  
Tel: [REDACTED] Fax: [REDACTED]

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2011. This 2011 flight log record titled "Flight Log Maintenance" was noted in Manufacturer's historical records research as part of the Inspection Report. However, Manufacturer did not identify the 2011 suspected lightning strike as a discrepancy in the Inspection Report. As noted, Manufacturer has returned the aircraft to airworthy status with all discrepancies corrected. Seller's maintenance records from 2011 noted by Manufacturer were made available for Buyer's review in January 2017 during a physical inspection of the Aircraft by Buyer.

Based on Section 5.1(B) and 5.5 of the Agreement, the 2011 suspected lightning strike does not qualify as an Inspection Discrepancy. To be an Inspection Discrepancy, a lightning strike would need to constitute material damage history, the repair of which would constitute a major repair. See Section 5.1(B)(vii).

Under Section 5.5(ii) and (iii), only in the event of an Inspection Discrepancy does Buyer have the option to:

- make Buyer's acceptance of the Aircraft conditional on Seller's correction of Inspection Discrepancies, or
- reject the Aircraft (if Seller is unwilling to deliver the Aircraft at Closing without Inspection Discrepancies).

As it stands, under Section 5.5(i), within two Business Days of receiving the Inspection Report, Buyer must accept the Aircraft "as is, where is" and "with all faults."

Mr. Visoski on behalf of Buyer sent an email Wednesday evening, March 22 indicating that the Closing Date should be postponed in light of (1) the discrepancies uncovered to date, (2) the fact that the Inspection has not been completed since Buyer needs to engage inspection professionals other than Manufacturer, and (3) Seller's duty to correct deficiencies.

Seller does not believe that the Buyer is being reasonable in view of the Manufacturer's report and return to service. Also, it is not reasonable to suggest that a suspected lightning strike that occurred in 2011 could be an Inspection Discrepancy where it never required corrective action over many years and was not noted by the Manufacturer in the Inspection Report as a potential issue.

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As an expression of good faith, Seller agrees to reschedule the Closing Date from Friday, March 24 to Thursday, March 30, in order to give the Buyer time to consult with the Buyer's principal and other professionals and perform any additional inspections at its sole cost.

Seller requests that Buyer prepare for the Closing Date on Thursday, March 30, 2017, including executing and delivering the Acceptance Certificate as soon as possible.

Seller reserves all rights under the Agreement.

If you wish to discuss, please call me at the number below.

Sincerely,



Lee Medlin  
Manager, Corporate Aviation Services  
Chevron U.S.A. Inc.  
[REDACTED]

cc: Mr. Lawrence Vioski (email: [REDACTED])