

MEMORANDUM

TO: Mr. Marc Poland, Vice President
[REDACTED]
Mr. Howard Germon, Regional Sales Manager
[REDACTED]
Mr. Chris Shurkus, S-76 Program Manager
[REDACTED]

cc: Mr. George Reenstra
[REDACTED]

FROM: Jeffrey Epstein

RE: S-76C++
76TD6167A

DATE: January 27, 2010

By memorandum dated January 4, 2010, I made it abundantly clear to you that a delivery after January 20, 2010 was completely unacceptable.

I worked with Sikorsky to close on Green Delivery at the eleventh hour in December 2008, so that you could reflect that on your books for 2008. When Sikorsky could not meet the original July 2009 delivery deadline under our contract, I agreed to extend it until September 2009. When Sikorsky again could not meet the extended deadline, I reluctantly accepted an extension of that deadline until December 7, 2009 on assurances from Sikorsky that December 7 was the absolute and final extension. Once again, Sikorsky failed to meet its obligations.

Chris Shurkus promised me a letter providing a detailed explanation for Sikorsky's repeated failures and again requested a delivery extension which he verbally advised Larry Visoski would be no later than January 15, 2010. I waited more than patiently for that letter and at the same time explained to you in my January 4, 2010 memorandum the need for the aircraft to be ready and in Palm Beach by no later than January 20, 2010 so that it could be displayed at the La Bella Ferrari and Aircraft Show at Jet Aviation on January 21, 2010, which was planned jointly by us and Sikorsky's marketing department. In my January 4, 2010 memorandum, I advised Sikorsky that if the aircraft were not delivered by January 20, 2010, I would deduct \$50,000 from the balance due at delivery and would continue to deduct \$50,000 for every two-week period thereafter that delivery was delayed.

I received no response to my January 4, 2010 memorandum, no detailed explanation for the delivery failures and no January 20, 2010 delivery. Instead, Sikorsky

attempted to impose on me yet another amendment to our contract, which provided for a further delay of presentation until January 27, 2010, of final delivery until January 30, 2010 (note that, among other defects, the draft amendment mistakenly indicates the dates as January 27, 2009 and January 30, 2009, respectively) and feebly attempted to make amends with an additional \$50,000 parts credit and an extension of time within which to use New York area charter hours which are of minimal benefit to me. When we asked what had become of the letter of explanation that was promised to me, we were advised that Sikorsky would provide no such letter.

Sikorsky's repeated delays putting off delivery now more than 6 months after the original contractual delivery date are outrageous. I have no obligation to accept delivery at this late juncture and reject your proposed amendment, which I note Sikorsky was unable to comply with in any event as it is January 27, 2010 and the aircraft is still not available for presentation today. If we are to move ahead, in addition to the \$50,000 spares credit now owing to Air Ghislaine as a result of Sikorsky's failure to comply with the December 7, 2009 delivery deadline, I require confirmation of Sikorsky's agreement to a \$50,000 deduction in the balance due at delivery and a further deduction of \$50,000 for every two-week period after January 20, 2010 that delivery continues to be delayed.

My patience is at an end. Your prompt reply is expected.