

LELAC AEROSPACE, LLC
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Wilmington, DE 19805
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December 28, 2017

Chartwell Partners LLC
c/o Avjet Global
3030 North Clybourn Avenue
Burbank, CA 91505
E-Mail: [REDACTED]

Letter of Intent

This letter records the understanding we have reached in respect of the purchase of one (1) used Boeing Business Jet, Model BBJ aircraft bearing manufacturer's serial number 29200 together with two (2) CFM56-7B27 / B3 engines bearing, respectively, manufacturer's serial numbers 874584 and 875606, in its "as is, where is" condition, by **LELAC AEROSPACE, LLC** ("**Buyer**") from **Chartwell Partners LLC** ("**Chartwell**" or the "**Seller**"), subject to and conditional upon the conclusion of comprehensive agreements acceptable to the parties to be based on the general terms and conditions and the principal commercial terms as set forth below:

- 1. Buyer:** *LELAC AEROSPACE, LLC*, a company organized under the laws of Delaware, USA ("**Buyer**").
- 2. Seller:** *Chartwell Partners LLC*, a company organized under the laws of California, USA ("**Seller**").
- 3. Aircraft:** One (1) used Boeing Business Jet, Model BBJ aircraft bearing manufacturer's serial number 29200 together with two (2) CFM56-7B27 / B3 engines bearing, respectively, manufacturer's serial numbers 874584 and 875606, including but not limited to complete engines records and all Aircraft records (as per the Record Review (defined below)) related thereto in its "as is, where is" condition (collectively, the "**Aircraft**").
- 4. Transaction:** The purchase and sale of the Aircraft (the "**Transaction**") shall be structured as an all cash sale.

Title to the Aircraft, free and clear of all liens and encumbrances will be transferred when closing conditions are met in respect of the Aircraft, and the Purchase Price is received by the Seller ("**Delivery**").

Upon the execution of this letter of intent (this "**Letter of Intent**") by Buyer and Seller, which shall occur no later than the Expiry Date (defined below) and receipt by the Escrow Agent of the Deposit (each as defined below), Seller shall take the Aircraft off the market and shall not solicit or accept any other offers for the sale of the Aircraft until such time as this Letter of Intent is terminated as contemplated under Clause 8 below or as provided in the Purchase Agreement (as defined below),

and upon such termination Seller shall be free to remarket the Aircraft for sale to others without restriction and free and clear of any obligation hereunder or otherwise of Seller to Buyer and free of any rights of Buyer .

5. **Purchase Price:** The purchase price in respect of the Aircraft shall be **US\$19,500,000, (Nineteen Million Five Hundred Thousand United States Dollars)** exclusive of applicable taxes (the “**Purchase Price**”).
6. **Payment Terms:** The Buyer shall pay the balance of the Purchase Price to Seller concurrently with the Delivery of the Aircraft by Seller to Buyer. All benefit, risk of loss and ownership in and to the Aircraft shall pass to the Buyer upon payment of the full Purchase Price and confirmation from the Seller that the funds have been received as evidenced by Seller’s execution of a bill of sale for the Aircraft.
7. **Escrow Agent:** Insured Aircraft Title Services, Inc. (the “**Escrow Agent**”).
8. **Deposit and Purchase Agreement:** Following the execution of this Letter of Intent by Buyer and Seller pursuant to Clause 4, and **no later than January 9, 2018**, the Buyer shall transfer by way of refundable deposit the amount of **One-Million-Nine-Hundred-Fifty-Thousand United States Dollars (USD 1,950,000)** (the “**Deposit**”) to the Escrow Agent (account details below), to hold such funds in escrow for the benefit of the Seller and the Buyer as provided herein and in the Purchase Agreement. The Deposit shall be credited against the Purchase Price at Delivery. The Buyer shall instruct the Escrow Agent to advise the Seller in writing upon receipt of the Deposit. The Buyer, the Seller and the Escrow Agent shall enter into a customary escrow agreement or escrow instruction letter as soon as reasonably practicable following the acceptance of this Letter of Intent by the Seller and **no later than January 9, 2018**.

Seller shall deliver to the Buyer a draft of the Purchase Agreement within two (2) business days following confirmation of the Deposit by the Escrow Agent. The Purchase Agreement shall be executed by Buyer and Seller in a form mutually agreeable to both, **no later than January 16, 2018**.

Notwithstanding any other terms of this Letter of Intent or any other agreement between Buyer and Seller, if the Purchase Agreement has not been executed by both Buyer and Seller **by January 16, 2018**, it is expressly understood as a material condition of this Letter of Intent, and acknowledged by both Buyer and Seller that, at the sole option of Seller, and without any remaining obligations or liabilities to either party: (i) this Letter of Intent (other than those provisions that survive termination), the Transaction and any negotiations therewith shall be terminated and be deemed to be of no further force or effect; (ii) the Deposit shall be immediately refunded and disbursed in full by the Escrow Agent to Buyer; and (iii) Seller may place the Aircraft back on the market and solicit or accept other offers for the sale of the Aircraft.

The Deposit will be held by the Escrow Agent and will become non-refundable as soon as the Buyer has accepted the Aircraft in accordance with the Purchase Agreement and, after such acceptance, will be

returned to the Buyer only in the event that the Seller fails to Deliver the Aircraft to the Buyer in accordance with the terms of the Purchase Agreement. In such case, the Deposit will be refunded to the Buyer without interest.

Escrow Account Details:

Bank:

Bank of America, N.A.
OK1-100-02-08
211 N. Robinson
Oklahoma City, OK 73102-7109, USA
ABA# 026009593
SWIFT# BOFAUS3N

Credit:

INSURED AIRCRAFT TITLE SERVICE, INC.
4848 S.W. 36th Street.
Oklahoma City, OK 73179
Account # [REDACTED]
Attn: ESCROW OFFICER [REDACTED]
Re: MSN 29200 Aircraft Purchase

9. Acceptance or Rejection of Aircraft following the Pre-Purchase Inspection:

Buyer has made an initial records review of the Aircraft and accepts its current technical conditions as per Clause 3 of this Letter of Intent.

The Buyer shall be entitled, at its cost, to carry out a pre-purchase review of the Aircraft's records (the "**Record Review**") at Seller's hangar facilities in Burbank, California (the "**Inspection Location**"), which shall be completed **no later than January 12, 2018**, at a time agreed between the Seller and the Buyer, but in no event prior to Seller's receipt of confirmation that the Deposit has been received by the Escrow Agent. Seller shall reasonably cooperate with Buyer during the inspection, in researching, requesting and obtaining missing engine(s) records, if any.

In addition to the Record Review, Buyer shall be entitled, at his cost, to conduct the following pre-purchase inspections at the Inspection Location (collectively, together with the Record Review, the "**Pre-Purchase Inspection**"), upon completion of the Record Review and following the parties entering into the Purchase Agreement (but **no later than January 17th, 2018**):

A borescope inspection of each engine and the APU of the Aircraft;

An on wing performance run to be performed; and

A test flight of the Aircraft to take place at the Inspection Location, of up to two (2) hours duration under the control of the Seller with up to two (2) of the Buyer's representatives as observers. All procedures to be adopted during the functional check flight shall be agreed between the Seller and the Buyer prior to the undertaking of

such flight. The Buyer may extend the test flight by such period as may reasonably and necessarily be required to verify whether the Aircraft conforms to the Delivery Condition.

The Seller shall locate the Aircraft at the Inspection Location in order for the Pre-Purchase Inspection to be undertaken.

Upon completion of the Pre-Purchase Inspection, as soon as available the Buyer shall identify to Seller any discrepancies between the Delivery Condition and the actual Aircraft condition found during the Pre-Purchase Inspection (the “**Discrepancies**”).

Within three (3) business days of identifying the Discrepancies, but **in no event later than January 23, 2018**, the Buyer shall notify the Seller in writing of its final or conditional (as described in the following paragraph) acceptance or its rejection of the Aircraft. In case of rejection of the Aircraft the notice shall include the reason for such rejection.

In case Discrepancies are identified by the Buyer, the Buyer may subject its acceptance of the Aircraft to the correction of the same by Seller, and Seller shall correct such Discrepancies at its expense as soon as reasonably practicable but in any event no later than **the later of (i) January 31, 2018, or (ii) if on such date Seller is correcting Discrepancies, the date on which Seller can reasonably correct such remaining Discrepancies** (the “**Final Acceptance Date**”). Upon correction of such Discrepancies by the Seller, Buyer shall notify the Seller in writing of its final acceptance of the Aircraft, no later than the Final Acceptance Date.

If the Aircraft is rejected by the Buyer either before or after any corrective action by Seller, the Deposit shall be returned to the Buyer and the parties shall be released from any obligation or liability under the Purchase Agreement.

10. Delivery Location:

FOB – Medford, Oregon (the “**Delivery Location**”) or any other location to be mutually agreed in writing by Buyer and Seller that will permit the transaction to be carried out with minimal tax exposure. Buyer shall be responsible for the cost and expense of transport/ferrying the Aircraft from the inspection location to the Delivery Location.

11. Delivery Date:

Seller shall Deliver the Aircraft to Buyer, concurrently with the receipt of the full Purchase Price by Seller from Buyer, on or before **January 31, 2018** (the “**Delivery Date**”), or such other date mutually agreed in writing by Seller and Buyer.

12. Casualty Loss:

If the Aircraft suffers a total loss or material damage beyond economical repair (to be defined in the Purchase Agreement) prior to the Delivery Date (a “**Casualty Loss**”), both Buyer and Seller shall have the right to cancel the Transaction.

- 13. Proposal Conditions:** The proposal contained in this Letter of Intent shall be subject to the following conditions (the “**Proposal Conditions**”), all to be fulfilled by the deadline indicated herein:
- (i) Countersignature of this Letter of Intent by Seller and Buyer on or before the Expiry Date (defined below); and
 - (ii) Receipt by the Escrow Agent of the Deposit as per Clause 8.
- 14. Conditions Precedent:** The conditions precedent (the “**Conditions Precedent**”) to the Delivery of the Aircraft shall be those customary in respect of private aircraft sale and purchase transactions. Notwithstanding the foregoing they shall include (but not be limited to):
- (i) Satisfaction of the Proposal Conditions;
 - (ii) Signed Purchase Agreement between Seller and Buyer as per Clause 8.
 - (iii) Approvals on behalf of Seller;
 - (iv) Approvals on behalf of Buyer;
 - (v) No Casualty Loss having occurred with respect to the Aircraft;
 - (vi) All required third party consents having been obtained; and
 - (vii) The Aircraft shall not have suffered any material damage since the time of the Pre-Purchase Inspection as per Clause 9.
- 15. Taxes:** All taxes related to the sale and purchase of the Aircraft, including sales taxes, other than taxes assessed in the country of Seller on the income or gains of the Seller, shall be for the account of the Buyer and Buyer shall indemnify and hold Seller harmless from such taxes.
- 16. Delivery Condition:** The delivery condition for the purpose of the Purchase Agreement (the “**Delivery Condition**”) shall be the following:
- the Aircraft shall be in an airworthy condition with current Certificate of Airworthiness issued by the FAA; and
- the Aircraft shall comply with the specifications in Annex A.
- 17. Costs & Expenses:** Except as otherwise set forth herein, Seller and Buyer shall be responsible for their own costs and expenses to review, negotiate and close this transaction including legal fees, regardless of whether or not this transaction is closed. If applicable, Buyer shall also be responsible for all costs associated with stamp duties for the execution and delivery of the documentation and any translations, registrations, International Registry (Cape Town Convention)

registrations, and filings.

**18. Indemnity/
Damage Limitation:**

Upon Delivery of the Aircraft by Seller and payment of the Purchase Price by Buyer, Buyer will indemnify and hold harmless the Seller from and against any and all costs, expenses, liabilities, losses, damages and penalties in any way relating to the ownership, leasing, use or operation of the Aircraft or any breach by Buyer of its obligations under the Purchase Agreement. The exact detailed conditions and exclusions will be defined in such Purchase Agreement.

Under no circumstances will Seller be liable for any consequential, exemplary or punitive damages or damages related to loss of revenue or any delay whatsoever.

19. Confidentiality:

The terms and conditions set out in this Letter of Intent are available only to Seller and Buyer. By receipt of this Letter of Intent, Seller and Buyer acknowledge that this Letter of Intent contains commercially sensitive information.

Seller and Buyer agree to maintain this information and documentation provided hereunder strictly confidential and agree to disclose it to no person other than (a) their respective Board of Directors; and trustees, employees, auditors, professional advisors, and shareholders; and (b) as may be required to be disclosed under applicable law or regulations or for the purpose of legal proceedings. The parties acknowledge the obligations under this Clause shall survive termination of this Letter of Intent.

20. Governing Law:

This Letter of Intent and the Purchase Agreement shall be governed by the laws of New York. Any dispute, controversy, or claim arising out of, or in relation to, the Purchase Agreement, including the validity, invalidity, breach, or termination thereof, shall be resolved by arbitration in New York on terms to be agreed in the Sales Agreement.

21. Expiry Date:

The terms proposed in this Letter of Intent shall be valid if executed by both parties on or before 2359 hours on **January 2, 2018** (the "**Expiry Date**") or another date mutually agreed between Seller and Buyer.

22. Intention:

It is the intent of Seller and Buyer that the terms of this Letter of Intent is not exclusive and the Purchase Agreement shall contain such additional provisions as are customary in private aircraft purchase transactions.

- 23. Binding Provisions:** This Letter of Intent is an expression of the parties' mutual intentions to enter into negotiations toward definitive agreements but does not represent a binding commitment for either party hereto other than with respect to the terms and provisions related to the Deposit, Confidentiality and Governing Law which the parties have negotiated and are legally binding upon the parties.
- 24. Assignment:** Except as set forth herein neither party may assign any of its rights or delegate any of its obligations hereunder or under the executed Purchase Agreement without the prior written consent of the other party.
- 25. Breach:** If any party breaches the terms and conditions of Letter of Intent with respect to the Deposit or Confidentiality, and fails to remedy such breach within seven (7) calendar days of the date of receipt of written notice requiring it to do so, then the aggrieved party shall be entitled, in addition to any other remedy available to it at law, to cancel this Letter of Intent or to claim specific performance in either event without prejudice to the aggrieved party's rights, to claim damages.
- 26. Counterparts:** This Letter of Intent may be fully executed in any number of counterparts by each of the parties hereto, all such counterparts together constituting but one and the same instrument.

This Letter of Intent supersedes all previous proposals, agreements and other written and oral communications in relation to the transaction contemplated herein. The parties each acknowledge that there have been no representations, warranties, promises, guarantees or agreements, express or implied, except as set forth herein.

IN WITNESS WHEREOF, the parties hereto have caused this document to be executed in their respective corporate names by their duly authorized representatives.

LELAC AEROSPACE, LLC

By: _____ **28 DECEMBER 2017 at 1900 Hours EST.**

Name: Frank Rivera

Title: Director

Agreed and accepted this _____ day of _____:

Chartwell Partners, LLC.

By: _____

Name:

Title:

Annex A
Aircraft Specifications as of December 1, 2017

AIRFRAME

Manufacturers S/N: 29200
Total Time: 1,531.5 hours
Landings: 723

PROGRAMS AND MAINTENANCE

12-Year C4 Inspection (including Landing Gear Overhaul / Exchange)
Completed March 2013 by AAC, Dallas.
C1 Inspection completed February 2016 by AAC, Dallas.
Next Inspection Due is C2 February 2019.
Aircraft is presently on a 3-year inspection interval with planned
migration to the latest Boeing Dec. 2016 MPD 4-year interval.
Flightdocs Maintenance Tracking Program

The significant avionics components are actively covered under the
Honeywell HAPP and Rockwell Collins CASP protection plans through
March 2018.

APU

Honeywell 131-9(B) S/N P-5279
Total Time: 2,357.4 hours
Cycles Since New: 1,162

ENGINES

CFM56-7B27B3

	Engine #1	Engine #2
Manufacturers S/N:	874584	875606
Time Since New:	1,531.5 hours	1,531.5 hours
Cycles Since New:	723	723

AVIONICS

Single Cue Flight Director Display (dual cue available by Boeing Master
Change SB)
Heads Up Display – Rockwell Collins HGS-2350 (single)
Dual Honeywell Air Data/IRU's – Mag Variation Tables Updated Feb 2016
Dual Smith's FMS (now GE) w/Alternate Navigation System for Standby
Instrument – Large NDB Memory Capability
Triple VHF Coms – 8.33 KHz Spacing & VDL Mode 2 Compliant w/SELCAL
ACARS – CMU-900 – Data Link/CPDLC, FANS-1A (CVR is approved non-recording
due to date of install)
Dual HF w/SELCAL
Dual VOR/Marker Beacon Receivers
Dual Multi-Mode Receivers with ILS/GPS
Global Landing System – GNSS/GBAS
Dual DME

Dual Radio Altimeters

Dual ADF
Multi-Scan Wx Radar System V2
TCAS 7.1
Dual Transponders – DO-260B & ADS-B Out 2020 Compliant
EGPWS w/Predictive Wind Shear – Honeywell MK V – SB 737A2292
Complied with
Honeywell Flight Control Computers & Mode Control Panel
Auto Throttle System
Auto Land (Fail Passive Yaw Damp Sys)
Auto Brakes w/RTO (Rejected Take Off) Function
Dual navAero Class II EFB Systems w/”Ownship” and XM Wx Display
 (“Provisional Carry On System”)
eADL – Teledyne Enhanced Airborne Data Loader with USB Interface
and Internal Mass SW Storage Capability
SATCOM – Iridium, Dual Channel – True North Simphone Chorus System
– Provides Voice Only and Wi-Fi to both SATCOM Systems
Flight Data & Cockpit Voice Recorders are Original Equipment as
Delivered From Boeing.

OPTIONS

Cascade #4 & 5 Cockpit Eyebrow Window Deletion STC Accomplished
Lower Cargo Compartment Upgraded to Dual Loop Fire Detection
Eligible For FAR 135 Certification – No Restriction On Completion STC
Wi-fi/Bluetooth XM Wx & GPS Position For iPad/iPhone PED’s
SATCOM – Inmarsat – Honeywell MCS 7147 W/Swift Broadband Internet
Capability, Voice And Data
Long Range Passenger Oxygen System
Automatic APU Fire Extinguisher Discharge Master Change – On Ground
Only

ENTERTAINMENT

42” LCD HD Monitors in Lounge and Bedroom
Live TV – Tailwind 550 DIRECTV System w/Fuselage Mounted Antenna.
USA Domestic and European Decoders
Airshow 4000 Cabin Information System w/V2 Software
Look Ahead Aerial View Camera Mounted in Cockpit and Vertical
Stabilizer for Viewing on Cabin / Bedroom Monitors
Crew Rest Area Monitor with DVD & DIRECTV (slaved to Lounge TV
selection)
FAX/Print/Scan capability – Print from PED’s or Laptop via
Wi-Fi/Network Connection
Audio International IFE & CMS System

WEIGHT & CAPACITY

Maximum Take Off Weight: 171,000 LBS
Maximum Landing Weight: 134,000 LBS
Operating Empty Weight: 99,894.3 LBS

Maximum Zero Fuel Weight: 105,000 LBS – reduced for FAA Part 91 Operations

Maximum Fuel Capacity: 70,659 LBS w/8 Aux Fuel Tanks (3 Fwd, 5 Aft)

INTERIOR

The 14-passenger interior has 8 single chairs and 2 divans.

The single chairs are new BE Aerospace manually controlled with new leather upholstery (May 2016).

Bedroom with Executive Lav and Shower – 120-Gallon Potable Water Capacity with Built-in Fill System Filters.

Vacuum Lav Waste system with Galley drain option to prevent on ground dumping of food debris on the ramp.

Dual Zone Cabin Temperature System (Raytheon) w/individual full range temp controls for Lounge/ Bedroom

2nd Observer Seat installed in Cockpit

Electric Window Shades (A&C) – Lounge & Bedroom. Single point all up or down from Hot Batt Sw on Flt Att Panel. (Will operate with aircraft totally powered down)

LED Interior Emergency Lighting System – Recently Upgraded

LED Cabin Lighting System – Recently Upgraded

Potable Water Sterilizer System – International Water

Guard Industries

EXTERIOR

Original, March 2001.