



international jet
I N T E R I O R S

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May 19, 2017

Mr. Jeffrey Epstein
Plan D, LLC
6100 Red Hood Quarters B3
St Thomas USVI 00802

Proposal ER017007R6

Gulfstream 550, Serial No. 5173, Registration No. N415LM

Dear Jeffrey,

Thank you for the opportunity to present our revised proposal to refurbish your Gulfstream 550.

We pride ourselves on being a distinctive, custom refurbishment center that provides one-on-one attention as we produce couture-like craftsmanship for each project we execute.

We pro-actively communicate with our clients and deliver an extraordinary experience.

Please review this proposal to ensure that we have identified all the items you would like to have included in your work scope.

We look forward to being of service to you by providing extraordinary personal service and quality workmanship at an exceptional value.

If you have any questions regarding this proposal, please do not hesitate to call me.

Sincerely,

Eric H. Roth
President

EHR/du

Floor Plan



Financial Summary:

\$ 347,564 Proposal (includes \$9,000 hangar / ramp cost)

MATERIAL ALLOWANCES:

Material Allowances

Materials included in this proposal are based on the following allowances:

\$ 18.00 per square foot	Leather (cabin seats, potty's, crew trim)
\$ 18.00 per square foot	Suede Leather (divans)
\$135.00 per linear yard	Fabric (window line, lower side panels, bulkheads)
\$ 88.00 per linear yard	Fabric (headliner)
\$ 88.00 per linear yard	Grospoint (baggage and closets)
\$300.00 per square yard	Carpet (floor covering)
\$ 45.00 per square foot	Wood Veneer
\$ 18.00 per square foot	Solid Surface (Corian or equal)

COCKPIT AREA

208 Crew Seats \$8,860

The crew seats will be stripped of existing materials. The seats will be function-checked for proper operation. The customer will be notified of any additional costs required to repair or replace broken parts for approval. The cushions, arm rests and related sections will be upholstered with customer-approved material on the bottom and back cushions. The existing seat and shoulder harness assemblies will receive new color-coordinating webbing using the existing hardware.

209 Control Column Boots \$1,460

Fabricate and install new control column boots in leather to color coordinate.

ENTRYWAY AREA

304 Entry Door / Airstair Treatment \$ 4,580

The steps and risers will be stripped and recovered in a similar, color coordinating rubber tread material.

314 Forward Lavatory Potty Seat & Shroud \$2,533

The forward lavatory potty seat and surround(s) will be stripped and upholstered with customer-approved leather.

320 Jump Seat \$6,740

The pull out jump seat will be stripped of existing materials. The seat will be function-checked for proper operation. The customer will be notified of any additional costs required to repair or replace broken parts for approval. The cushions, arm rests and related sections will be upholstered with customer-approved material. The existing seat and shoulder harness assemblies will receive new color-coordinated webbing using the existing hardware.

325 Floor Covering (Entryway) \$1,272

A 100% wool custom carpet will be fitted, cut and installed for the entry floor. One (1) entry area throw mat will be cut, serged and provided.

MAIN CABIN AREA

409 Lower Side Panels \$14,730

The main cabin area lower side panels will be stripped and laminated with 0.125" foam as required. The panels will be covered in customer-approved material.

415 Mid Cabin Curtain \$5,570

The mid cabin curtain will be replaced using the existing retaining system. Fabricate two (2) new curtains with customer-approved fabric.

417 Aft Cabin Curtain \$2,580

The aft cabin will be replaced. Fabricate one (1) curtain with customer-approved material. The curtain will be retained through use of rare earth magnets and an embedded metal strip in the curtain to keep the curtain tight against the bulkhead.

420 Cabin Single Seats \$122,106

The eight (8) 16g cabin single chairs will be stripped of existing materials. The chair frames will be cleaned and exposed areas will be prepped and painted to match the dress cover material. Cushions will be fabricated with multiple density DAX foam to coordinate with the upholstery design. The cushions, arm rests and related parts will be upholstered in customer-approved leather. The

existing seat belts will receive new color-coordinated webbing using the existing hardware. Seats will be fire blocked as per Item 803 of this proposal. The two (2) aft cabin chairs will be styled differently than the forward four cabin chairs. The R/H & L/H #3 seats will not be reinstalled.

Note: Cabin seats will be removed and functionally tested for proper operation, and the customer notified of any discrepancies identified and options for repairs.

- 420 Cabin Single Seats \$ 27,610**
The #2 R/H and #2 L/H 16g chairs will be modified to incorporate recliner footrests in accordance with manufacturer's Service Bulletin for 16g certification.
- 2- Base Assemblies
 - 2- Base Shrouds
 - 2- Seat Frame Shroud Assemblies
 - 2- Legrest Assemblies
 - 2- Swivel Stops
 - 2- Spring Assemblies (Arms to be reworked)
 - 2 Recline Levers
 - 1- Service Bulletin
- 422 Divan(s) 43,190**
The two (2) mid cabin 16g divan(s) will be stripped of existing materials. Cushions will be fabricated with multiple density DAX foam to coordinate with the upholstery design. The cushions, center arm rests (if any), and related parts, will be upholstered in customer-approved suede. The existing seat and shoulder harness belts will receive new color-coordinated webbing using the existing hardware. Seating will be fire blocked as per Item 803 of this proposal.
- 423 Divan End Arm Cabinets \$4,392**
New, taller fwd and aft divan end arm rest pads will be fabricated and upholstered in the same suede as the divan.
- 424 Credenza \$ 2,560**
Fabricate one (1) new padded leather credenza cover to replace existing.
- 425 Floor Covering (Main Cabin) \$27,923**
A 100% wool custom carpet will be fitted, cut and installed throughout the main cabin to include seat bases and side heat ducts. All unfinished edges will be serged as required or aesthetically pleasing. One (1) set of throw mats for the main cabin seating areas will be cut, serged and provided.

GALLEY AREA

- 502 Aft R/H Galley \$2,870**
Replace the see through plexiglass doors in the upper hutch with new composite door sliders laminated in wood veneer. Finish wood veneer in a high build finish.
- 503 Aft L/H Galley \$2,320**
Replace the see through plexiglass doors in the upper hutch with new composite door sliders laminated in wood veneer. Finish wood veneer in a high build finish.
- 525 Floor Covering (Galley) \$636**
A decorative vinyl flooring (TBD) will be fitted, cut and installed in the aft galley area.

AFT LAVATORY AREA

- 606 **Aft Lavatory Potty Seat & Shroud \$2,980**
The aft lavatory potty seat and surround(s) will be stripped and upholstered with customer-approved leather.
- 625 **Floor Covering (Aft Lavatory) \$848**
A 100% wool custom carpet will be fitted, cut and installed in the aft lavatory. All unfinished edges will be serged as required or aesthetically pleasing.

MISCELLANEOUS

- 801 **Incoming Inspection / Remove Interior \$5,490**
Prior to any work being performed on the aircraft after its arrival, the interior will be evaluated as it relates to the Work Scope. Cabin lighting, cabinetry, seating, and other interior furnishings will be function-checked prior to removal of the interior. All items of damage or any discrepancies-including flight squawks reported by the flight crew, will be listed and a plan of action determined. All interior furnishings and components will be removed as required to facilitate the Work Scope.
- 802 **Install Interior / Detail Interior \$7,610**
All equipment and/or furnishings included in this Work Scope that have been removed, refurbished, fabricated new, and / or procured for this aircraft will be installed.
- 803 **Fire Blocking \$41,960**
The belted aircraft cushions will be "fire blocked" to comply with F.A.R. 25.853 (c) Appendix F, Part II. FAA conformity and burn test procedures will be performed. An approved FAA Form 8110-3 certifying compliance will be provided. Price includes two (2) dress cover materials for the seats and one (1) dress cover material for the divan.
- 804 **Composite Burn Certification \$5,044**
All materials as required will be tested to comply with F.A.R. 25.853 (a) Amdt. 25-116 Appendix F Part I (a) (1) (ii). FAA conformity and burn test procedures will be performed. Provide approved FAA Form(s) 8110-3 certifying compliance.
- 808 **Placards \$0**
Affected areas of the aircraft interior will be placarded in accordance with applicable Federal Aviation Regulations. All placards unless specified otherwise will be self-adhesive type and in the English language.
- 829 **Engineering / Certification \$1,700**
Modifications to the aircraft, including newly designed and installed interior furnishings will all be engineered to meet the appropriate Federal Aviation Regulations. This work will be approved by a Designated Engineering Representative(s) of the F.A.A. and approved on FAA Form 8110-3 and FAA Form 337.

Total Cost for these Items....\$ 347,564

Authorized Acceptance: _____
for **Plan D, LLC** Date

1000 SCHEDULE

1001 **Schedule**

The schedule is dependent upon elected work scope and lead time to procure materials, commence burn certification and required engineering to complete the work scope. Estimated down time is ten (10) weeks (May 19th – July 30th 2017.)

This provides a foundation to wiggle out of the schedule. No consequences for failure to meet schedule

PROPOSAL TERMS AND CONDITIONS

[Known "and" basic" provide wrigs (e room I would prefer to delete these terms)]

101 Work Scope

These specifications are for the anticipated work to be performed in the refurbishment as outlined within. The quoted price(s) include all known basic items to enable the specified installations to perform their intended function based on this specification.

102 Change Orders

If Customer requests changes to the work scope as outlined herein or discrepancy repair conditions are found, Customer will be provided with a Change Order or such other pricing summary as International Jet Interiors may deem appropriate. The Change Order / similar will state the change or addition to the scope of work and will inform Customer of the impact this change has to price and the estimated delivery date. The Change Order(s) will reference and amend this Proposal. Customer will be required to sign the Change Order(s) before the work scope change or additional work will begin. Any delay in Customer signing the Change Order / similar may result in a minimum of one (1) additional day added to the estimated delivery date for each day the Change Order remains unsigned and unreturned to International Jet Interiors.

reasonably

[What is the definition of this term?]

[This provides Washroom to increase price + extend schedule]

[What about disagreements re: requirement for change order the scope, price and or schedule]

103 Incoming Evaluation

Prior to any work being performed on the aircraft after its arrival, the interior will be evaluated as it relates to the Work Scope. Cabin lighting, cabinetry, seating and other interior furnishings will be function checked prior to removal of the interior. All items of damage or any discrepancies, including flight squawks reported by the flight crew, will be listed and a plan of action determined, stated in writing and approved in advance in writing by Customer

[stated in writing and approved in advance in writing by Customer] [this needs to be defined]

104 Correction of Discrepancies

This Proposal does not include repairs to the Aircraft resulting from discrepancies in the Aircraft discovered during the performance of the agreed Work Scope. Correction of discrepancies pursuant to this provision will be preceded in writing by an International Jet Interiors Change Order, submitted for Customer approval with an estimate of cost and time delay in delivery, if any.

[which IJI seeks to impose. what guides price? is there a published schedule? allows IJI to hold us ransom]

107 Representation / Access

The customer's representatives will have access to the premises during regular working hours in order to inspect the aircraft, check the results of the work performed, and investigate the progress of the work.

[At all times and from time to time from commencement of work under this Agreement until the completion of all work hereunder]

108 Documentation / Federal Aviation Administration Acceptance

All installations will be made in accordance with specifications stated herein and will be FAA approved by FAA Form 337 or other form of Federal Aviation Administration approval in compliance with applicable FAA regulations. It is the intent of International Jet Interiors to approve modifications utilizing FAA Form 337 unless otherwise stated and this work has been quoted predicated upon this assumption. If a 337 approval is unacceptable to the FAA, an STC may be required. The additional cost and downtime for certification effort required to generate an STC is not included in this proposal and will be quoted separately subject to Customer approval.

[What role, if any, does the DAR play in approvals?]

[should that be mentioned here?]

The following documentation will be supplied by International Jet Interiors upon delivery of the aircraft where applicable to installations and modifications performed:

- a. FAA Form 337 covering work accomplished on the aircraft.
- b. A copy of the certification of all fabrics and materials that state that they meet the applicable Federal Aviation Administration requirements.

c. [any other documentation reasonably required by the DAR?]

109 Test Flight(s)

International Jet Interiors will provide all necessary personnel to perform in flight inspections if elected by the customer. The customer will be responsible for all fuel, pilots, oil, and related

operating expenses to perform test flights. The test flight(s) will be limited to those necessary to evaluate the installations and modifications made by International Jet Interiors.

Which Customer reasonably determines are

or appropriate under the circumstances

110 Refurbishment: General

- a. All interior finish items will be selected for durability and ease of maintenance with weight a primary consideration. The interior layout and arrangement, color schemes, and finish material selections will be in accordance with the customer approved sample(s) / presentation(s). Engineering and the choice of construction materials and fabrication techniques will be the responsibility of International Jet Interiors and will be in accordance with the accepted and current aircraft procedures and practices, *manufacturer specifications and FAA requirements*
- b. All fabrics and materials not inherently flame resistant will be treated with a fireproofing protection process in accordance with applicable FAA specifications. International Jet Interiors will be responsible for flammability testing and certification of materials.
- c. Any existing wiring or tubing made obsolete by the Work Scope will be capped and stowed. Wiring or tubing removal, if requested by the Customer, will be at an additional charge, *unless required by manufacturer*
- d. Removed equipment that is not to be reinstalled as part of this contract will become the property of International Jet Interiors unless stated otherwise. *[What will be removed? Do we want it?]* *FAA requirements of other applicable*
- e. ~~International Jet Interiors reserves the right to photograph and/or take video of the interior and exterior of the aircraft for general marketing purposes. International Jet Interiors is authorized to copyright, use and publish the photographs and / or video in print and / or electronically and will make commercially reasonable efforts to not name the owner(s) and if applicable, lessor(s), and or lessee(s) or show any identifying information.~~
- f. International Jet Interiors shall have the right to subcontract any portion of the work scope, *subject to Customer's prior written approval of all work to be subcontracted and of the subcontractors to perform said work. Customer shall not unreasonably withhold any such approval.*
- g. This Proposal has been prepared based on customer furnished information, equipment, furnishings and avionics equipment list(s). It may be subject to change pending review of aircraft specific information including wiring diagrams, avionics software and inspection of aircraft and interior configuration. This proposal does not include any additional costs which may be incurred from service bulletin / mod status upgrades or repairs to units sent out for modification to return them to serviceability as discovered on incoming bench check.
- h. *[Shouldn't all of this have already been evaluated?]* *[What is potential impact?]* Unless specifically outlined in this Proposal, pricing does not include relocation of existing equipment such as antennas, controls etc. to accommodate new components and will be quoted separately subject to Customer approval.
- i. This Proposal is contingent upon the Customer supplying, within lead times or upon induction, all avionic, electrical, system, interior or structural drawings, diagrams, analysis and records, which accurately represent the current condition of the aircraft, as approved by the relevant aviation authority, and which are required by International Jet Interiors, Inc. to conduct the work scope. If any of the above pertinent data is not available in a timely manner, I.J.I. will re-create the missing information as required to support the Work Scope on a time and material charge basis to the Customer. Please note that the aircraft schedule and/or downtime may also be adversely affected by lack of this data. *[Again shouldn't this already have been evaluated?]*
- j. The Customer is responsible for all specific preservation tasks related to the Aircraft, its engines or systems that are required or may become required while the Aircraft is at International Jet Interiors facility for the elected work scope. *[Are we aware of what's required here? Cost?]*
- k. This Proposal is contingent on all work being accomplished during a single, coordinated maintenance visit.

106 Statement of Warranty

Upon delivery and acceptance of the refurbished aircraft, International Jet Interiors warrants its goods and services supplied to be free from defects in materials and workmanship under normal use for a period of 1,500 aircraft flying hours or three (3) years, whichever occurs first.

Does anything require a design warranty?

No Warranty applies to Services related to the refinishing of existing woodwork where the veneer is not replaced; previous coating integrity cannot be ensured and is therefore not warrantable.

[If this is not implicated by work scope then delete it. If it is implicated are we ok w/ this?]

manufacturer specifications and

International Jet Interiors warrants that the services performed hereunder will comply with applicable FAA regulations in effect as of the date the work is performed (as interpreted by the FAA office having jurisdiction over the facility at which the work is performed), and will be free from defects in workmanship and material. The warranty on all new and used components shall be limited to the warranty provided by the supplying manufacturer or vendor, if any. This warranty does not apply to (i) normal wear and tear, (ii) the consequences of accidents, negligence, abuse or misuse, or of repair, removal, reinstallation or alteration other than by International Jet Interiors and, (iii) to Customer furnished parts or equipment or to work which, at Customer's direction, was not performed in accordance with International Jet Interiors standard operating procedures. The sole and exclusive remedy of customer, and International Jet Interiors' sole exclusive liability, with respect to this warranty is limited to repair or replacement (at International Jet Interiors option) of the nonconforming or defective work or component. Such repair or replacement shall be performed at International Jet Interiors facility and customer shall be responsible for all transportation costs. THE FOREGOING WARRANTY IS IN LIEU OF, AND THE CUSTOMER HEREBY WAVES, ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING, WITHOUT LIMITATION, IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR USE.

Not sure how this plays w/ 1500 hr 3 year warranty. ~~should~~ provided above it

should be greater of FAA or vendor warranty and 1500 hrs / 3 years

or its subcontractor or under the supervision thereof.

as reasonably agreed by Customer and International Jet Interiors

In no event shall International Jet Interiors be liable for any special, incidental, consequential and/or punitive damages, including, without limitation, loss of profits, loss of goodwill, loss of use, loss of time, diminution of value, or inconvenience, even if informed of the possibility of such damages. In the event International Jet Interiors physically damages Customer's property, Customer's sole and exclusive remedy, and International Jet Interiors' sole and exclusive liability, is limited to the repair or replacement (at International Jet Interiors option) of the damaged portion of the property.

Customer's reasonable election

International Jet Interiors will use reasonable efforts to complete the Work Scope in a timely manner. Any completion or promised date is merely an estimated completion date and is not guaranteed. International Jet Interiors will not be liable to Customer for any failure to meet its obligations under the Agreement or this Proposal due to any cause beyond its reasonable control, including, without limitation, (i) government embargoes or other governmental acts that interfere with International Jet Interiors' performance, (ii) any other acts or failure to act of any government, including delays, failure, or refusal to grant approval(s) by the FAA or other aviation authority, (iii) blockades, (iv) seizure or freeze of assets, (v) fires, earthquakes, floods, severe weather conditions, or any other acts of God, (vi) labor strikes or lockout, (vii) riots, strife, insurrection, civil disobedience, armed conflict, terrorism, or war (declared or not), or impending threat of any of the foregoing if reasonably expected to cause injury to people or property, or (viii) shortages of or inability to obtain materials or supplies.

not caused by Intl Jet Interiors

Note there is no guaranteed schedule. Do we want incentives and disincentives?

If the work performed in connection with this is to be performed at International Jet Interiors facility in New York, the Agreement and this Proposal shall be subject to and interpreted in accordance with the laws of the State of New York, irrespective of its choice of law principles. Customer agrees that any dispute regarding the Agreement or this Proposal shall be resolved exclusively in the either Federal or State court in New York and hereby consents to exclusive jurisdiction of such courts in New York to resolve any disputes regarding this Proposal.

Upon entering into the Agreement, the Agreement and this Proposal and all of the terms and conditions set forth therein are binding on and enforceable by and against the parties, their successors, legal representatives, and assigns. No part of this Proposal or the Agreement shall be affected if any other part of it is held invalid or unenforceable. The Agreement and this Proposal shall constitute the sole agreement between the parties hereto with respect to the matters set forth in the Agreement and this Proposal, superseding any and all prior oral and written agreements or understandings. The Agreement and this Proposal may only be modified by a written addendum specifically referencing the Agreement and this Proposal which is signed by the parties.

with respect to such matters

To secure Customer's obligations to make full payment to Company, Customer grants to Company a security interest in the aircraft designated on the face hereof and all other aircraft of Customer.

Customer's obligation to make full payment to the Company shall be subject

being repaired or reconditioned by Company, until all invoices pertaining to all such aircraft are fully paid. Company is hereby authorized to sign Customer's name on any documents necessary to perfect this security interest. This security interest shall be in addition to any common law or statutory repairman's or similar possessory lien, and any other liens granted or permitted by the laws of the State of New York or the jurisdiction in which the work is performed, as applicable, each of which liens and rights thereunder are expressly reserved by Company. In no event shall the aircraft or work be delivered to or be deemed in the possession of Customer (including during any ground and flight acceptance test), until such time as Company has been paid all amounts due Company under the provisions of this Work Authorization. All of Company's rights and remedies shall be cumulative and in addition to all other rights and remedies provided by law and equity, including all rights and remedies of a secured party under the Uniform Commercial Code. *The Company shall ensure that any subcontractors used in the performance of the work are paid promptly and the Company shall secure all lien releases from such subcontractors timely.*

111 **Proposal Acceptance Instructions** In order to accept the proposal, client shall sign this document in the space(s) provided, including any elected options as outlined within and return executed document by means of electronic mail.

Signatory attests they have full legal authority to sign this Proposal and Agreement on behalf of Customer and represents, warrants and affirms that he or she is an AUTHORIZED AGENT OF THE AIRCRAFT OWNER(S), and if applicable, lessor(s), and or lessee(s) with full authority to enter into this Agreement.

112 **Payment Terms and Conditions**

- a. Fifty percent (50%) non-refundable deposit of the contract total is due upon acceptance of this proposal.
- b. Twenty-Five percent (25%) due after five (5) weeks (estimated completion mid-point).
- c. Total balance due upon completion and acceptance of work performed by wire transferred funds prior to delivery of aircraft.
- d. Aircraft maintenance and refurbishment is SALES TAX EXEMPT in New York State
- e. All funds must be in U.S. Dollars.
- f. The prices contained in this Proposal shall remain firm for a period of thirty (30) days.

the later of

the Customer's

The Company shall identify and defend the Customer from any and all claims of the Company's subcontractors arising out of work for which the Customer has there to be paid the Company.

114 **Remittance Instructions**

Wire Transfer Instructions: International Jet Interiors, Inc.
2221 Smithtown Avenue
Long Island MacArthur Airport
Ronkonkoma, New York 11779

Bank Identifiers Instructions: Bank
50 Jericho Triangle
Jericho, New York 11753
Account No. 9852497537
Fedwire Routing No. (ABA) 022000046

- Note:** Please reference one of the following (as applicable):
- Invoice Number
 - Work Order Number
 - Aircraft Registration & Serial Number

or the completion of 50% of the work hereunder to the reasonable satisfaction of the Customer