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To: jeevacation@gmail.com
Subject: B727 update
Date: Thu, 28 Jul 2016 15:36:14 +0000

Jeffrey,
I spoke with Frank Rivera buyer rep.
Frank informs he would like to purchase the whole plane, here is his plan:

Frank has a buyer for the -219 engines, which are the #1 and #3 engines on the Boeing. These are same engines that are used on MD80/83 aircraft. According to Frank, he has a buyer for the engines which is **Qatar Airlines**, who operate 30+ MD83 aircraft, whom he has done business in the past.

(NOTE: I'm not sure if Frank is aware, and I've have NOT mentioned this,. our engines require approx a \$30k modification to the Bleed system, to allow these engines to be installed on MD80 airframe, maybe he's aware, but its not my place to mention this).

Frank believes his current offer for both engines from Qatar airlines is between \$800k low side, and \$1M high side offer, Frank told me Qatar Airlines first offer was \$800k for both engines, Frank told Qatar to try again and make better offer, which we should know this number later today.

I informed Frank, we are not fond of Back to Back deals, He told me he would provide and share the deal with Qatar Airlines with us for your review, so all is in the open, Frank is looking to make \$50k per engine on this deal.

Franks full plan, is to sell both of our -219 engines to Qatar Airlines, Frank would be responsible for the \$68k repair to the #3 engine as well as pay all cost asscociated with removal and shipping to Miami for repair, additional \$15k. Frank also mentioned he would upgrade the C7 HPC compressor Disc that has 2100 cycles to a much higher life of 5000+ cycles for airline use, at his expense. (in theory, Frank is upgrading the life of these engines to be attractive for airline use overseas. He also informs the US airlines retired 200 MD80 series aircraft that flooded the market with High time -219 engines,. since ours has 3900 hours total time, but limited to 2100 cycles due to HPC C7 disc, are engine are of value if the HPC Disc is upgraded to higher life limit of cycles for airline use. (VIP market annual cycles is 150 per year, compared to airline which could be 1500 per year.

after closing, Frank would input the B727 at Stambaugh for Heavy C check, to which Stambaugh has provided a labor only estimate of \$582k for the C check,. I don't think Frank realizes you can easily double that figure once the inspection is started. not our concern. he's willing to take the chance. Frank would install other -219 engines with higher time and operate the aircraft in Mexico for a hotel chain that is interested in utilizing.

Frank has been very open and honest with me, in regards to his buyer and plan to purchase and operate the aircraft, he wants to get a high enough figure for the -219 engines that you are comfortable with accepting so he can purchase the whole plane. he is hoping this number will be \$1M.

all this being said, we should have a real offer for review late tonight, or tomorrow. He is motivated to close and get our engine to repair shop asap.

thank you,
Larry