

From: "jeffrey E." <jeevacation@gmail.com>
To: Stephen Hanson <[REDACTED]>
Subject: Re: Purchase of GS 5017
Date: Tue, 12 Apr 2016 06:48:16 +0000

zero

On Mon, Apr 11, 2016 at 7:56 PM, Stephen Hanson <[REDACTED]> wrote:
I'm in palm till wed pm. Any chance you are

Sent from my iPad

On Apr 11, 2016, at 6:55 PM, jeffrey E. <jeevacation@gmail.com> wrote:

i will , no problem

On Mon, Apr 11, 2016 at 6:22 PM, Stephen Hanson <[REDACTED]> wrote:
? Who will post the call in no ?

Sent from my iPad

Begin forwarded message:

From: Kevin White <[REDACTED]>
Date: April 11, 2016 at 5:23:28 PM EDT
To: [REDACTED] <[REDACTED]>
Cc: "Howie W. Muchnick" <[REDACTED]>
Subject: RE: Purchase of GS 5017

Howie and/or Stephen,

Can we have a conference call tomorrow afternoon at 4pm or perhaps on Wednesday to discuss the 3 remaining issues on the APA for G550 s/n 5017?

Kevin White

[REDACTED]

AVPRO Inc.

[REDACTED] office
[REDACTED] mobile

[REDACTED]
www.avprojets.com

From: Shanson900 [[mailto:\[REDACTED\]](mailto:[REDACTED])]
Sent: Wednesday, April 06, 2016 3:47 PM
To: Kevin White <[REDACTED]>
Cc: Howie W. Muchnick <[REDACTED]>
Subject: Re: Purchase of GS 5017

thank you , lets try for monday call friday travel day.

Sent from my iPhone

On Apr 6, 2016, at 1:27 PM, Kevin White <[REDACTED]> wrote:

Stephen,

I've just recently asked Howie for the APA in Word version so that we can make a few changes. We just had an internal call and I think we're moving in the right direction.

We'll have the APA with further comments on Friday morning and perhaps at that time, we can schedule a short conference call Friday afternoon to tie up any loose ends.

Kevin White

[REDACTED]
AVPRO Inc.

[REDACTED] office

[REDACTED] mobile
[REDACTED]

www.avprojets.com

From: Stephen Hanson [mailto: [REDACTED]]
Sent: Wednesday, April 06, 2016 12:19 PM
To: Kevin White < [REDACTED] >
Cc: Howie W. Muchnick < [REDACTED] >
Subject: Re: Purchase of GS 5017

Sure. No call today

Sent from my iPad

On Apr 6, 2016, at 12:05 PM, Kevin White < [REDACTED] > wrote:

Thanks Howie,

We'll review and will get back to you soon.

Stephen, let's hold off on our call at 1pm today so that Seller can discuss these comments below among ourselves first. We are going to be speaking soon and then I'll reach back out to you. So we're not going to have the group call at 1pm today, if that's okay with you.

Kevin White

[REDACTED]

AVPRO Inc.

[REDACTED] office
[REDACTED] mobile

[REDACTED]

www.avprojets.com

From: Howie W. Muchnick [mailto: [REDACTED]]
Sent: Wednesday, April 06, 2016 11:34 AM
To: Kevin White < [REDACTED] >
Cc: Stephen Hanson < [REDACTED] >
Subject: Purchase of GS 5017

After reviewing the latest draft Proposal submitted by you on April 1, 2016, we have further revised your draft based on the following comments:

1. Seller must provide a full warranty of title to the Aircraft, not just a limited one. As between Seller and Buyer, it should not be Buyer's responsibility to deal with any title issues that arise out of liens or encumbrances that were in place or a result of facts or circumstances that existed prior to closing and over which Buyer obviously had no control. Seller makes no other warranties under this Agreement save for a warranty of title. Seller was in a position to impose whatever requirements necessary to protect title to the aircraft and should warrant title. This is a standard requirement for transactions such as this.

2. Seller has limited our revised Proposal to provide that the Buyer may check to confirm that the Aircraft will be current on AD's, MSBs, and all hourly and calendar inspections through the closing date (rather than through August 1, 2016 as provided in our revision), but eliminated our clarification that any failure of the aircraft in that regard would be an Airworthiness Discrepancy that must be corrected at Seller's cost. We have reinserted that clarification, which we assume is within the intention of the definition of Airworthiness Discrepancy that Seller proposes. We understand that Gulfstream refers to its mandatory items as Customer Bulletins, so for sake of clarity we have also added compliance with Mandatory Customer Bulletins as well to Section 1) of the Proposal.

3. Seller has agreed to allow the inspection of all items included in a 144 month Inspection, the flat fee costs of which are going to be paid for by Buyer. But it has not expressly said that the Inspection Facility can conduct a 144 Month calendar inspection. We have clarified that point. We have also added that the Inspection Facility shall complete as part of the pre-purchase inspection the upcoming "1A" calendar inspection, the upcoming "2A" hourly inspection and the Landing Gear CIC application. We clarified that the flight test would be prior to the inspections to test for systems operations and that there would be an additional flight test after completion of the inspections to ensure that proper operation (as we assume this would be required by the inspection facility in any event). We have, of course, agreed to pay for the second flight test.

4. By limiting the definition of Airworthiness Discrepancies to only discrepancies which "must be repaired in order for the Inspection Facility to return the Aircraft to service", there is an ambiguity in the Proposal relating to whether Seller would be required to pay for items which would ordinarily be required to be replaced in order to complete the 144 Inspection, but are not necessarily required to return the aircraft to service as of the closing date. E.g., if the Closing date were April 30, 2016, any items that would ordinarily require replacement as part of a completed 144 inspection (due to be completed in June 2016), could be argued by Seller as not requiring replacement at the time of closing so Seller would not be obligated to pay for the replacement of those items. Therefore, as a requirement of Seller in the event the Buyer conditionally accepts the aircraft, Seller should be required to correct not only airworthiness discrepancies which must be repaired in order for the Inspection Facility to return the Aircraft to Service, and to repair or correct those items required to ensure that the Aircraft conforms to the requirements of Sections 1)(i), (ii), (iii) and (v), but also Seller must pay for all items which must be repaired, replaced or otherwise remedied in order for the Inspection Facility to confirm that the 144 Month Inspection and all requirements in connection therewith have been fully completed, even if closing takes place prior to the due date for completion of the 144 month inspection. Because we added the upcoming "1A" inspection, "2A" inspection and Landing Gear CIC Application to the pre-purchase inspection, we included any correction, repair, or

replacement required in connection with such inspections and application as part of the definition of an Airworthiness Discrepancy as well.

5. Permitting Seller's KYC and disclosure inquiries to remain open until closing and subjecting Seller's obligation to close to Seller's satisfaction with the results of its KYC inquiries in Seller's sole discretion, provides Seller with a completely discretionary out and makes the contract virtually unenforceable. The same holds true for the obligation of Buyer to "ensure that the Escrow Agent verifies the origin of the funds used to pay the Purchase Price and the Deposit to the satisfaction of Seller." Despite this obvious difficulty, in deference to the Seller's KYC obligations and its stated need for complete discretion in order to fulfill them, Buyer will withdraw its objection to these open-ended conditions, provided, however, that if after Buyer commences with pre-purchase inspections, should Seller not close thereafter, or should it thereafter terminate the Agreement, because it is not satisfied with the results of its KYC inquiries or with the Escrow Agent's verification of the origin of funds, then Seller should be required to reimburse Buyer for all Inspection costs and escrow fees paid or incurred by Buyer, and instruct the Escrow Agent to return the Deposit, as well as the balance of the Purchase Price (if it has then already been paid to the Escrow Agent) to Buyer. This gives the Seller the flexibility it needs while providing Buyer with appropriate protection. If Seller does not agree to this, then Seller could secure a windfall by causing Buyer to pay the flat fee costs of the Boroscopes, Aircraft Records Research, and upcoming 144 Inspection, "1A" inspection, "2A" inspection and Landing Gear CIC Application, the majority of which will be soon required for the Aircraft in any event, and then simply terminate the Proposal claiming that Seller is not satisfied.

6. Similarly, limiting Buyer's remedy in the event of Seller's breach to nothing more than a return of the Deposit, allows Seller to do the same thing after having Buyer pay the costs for all of those inspection items. Buyer's remedies for a Seller breach should be the return of the Deposit (and, if already paid into escrow, the balance of the Purchase Price) plus inspection costs and escrow agent fees. A breach is within Seller's control, so this is not unreasonable.

These are fairly straightforward requests and revisions and should not require a further phone call to resolve them. Please forward them to the Seller.

Howard W. Muchnick

Muchnick, Golieb & Golieb, P.C.
Attorneys at Law

[REDACTED]
New York, New York 10003

[REDACTED]
Facsimile: [REDACTED]

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