

## HELICOPTER LEASE AGREEMENT

THIS AGREEMENT made this 8th day of June, 2008 between CARSON HELICOPTER SERVICES INC., an Oregon corporation having a place of business at 828 Brookside Boulevard, Grants Pass, Oregon, 97526 (hereinafter "CHSI"); and CARSON HELICOPTERS, INC., a Pennsylvania corporation having a place of business at 952 Blooming Glen Road, Perkasio, Pennsylvania, 18944 (hereinafter "CARSON").

In consideration of the mutual covenants herein, the parties agree as follows:

1. CARSON agrees to lease to CHSI Sikorsky S-61N Helicopters
  - Serial Number 61-216, United States Registration Number 7011M,
  - Serial Number 61-220, United States Registration Number 4503E
  - Serial Number 61-242, United States Registration Number 116AZ
  - Serial Number 61-744, United States Registration Number 612RM
  - Serial Number 61-766, United States Registration Number 103WF
  - Serial Number 61-474, United States Registration Number 61NH
  - Serial Number 61-775, United States Registration Number 725JH

- Serial Number 61-297, United States Registration Number 612AZ
- Serial Number 61-749, United States Registration Number 410GH
- Serial Number 61-717, United States Registration Number 905AL,  
together with all equipment, components, accessories, parts and  
apparatus installed on or furnished with them (collectively referred to  
hereinafter as the “Helicopters”).

## 2. OPERATION OF HELICOPTER

It is understood by CHSI and Carson that CHSI will be operating as a Part 133 Rotorcraft External Lift Carrier AND / OR Part 135 On-Demand Air Carrier. CHSI will exercise full operational control of the Helicopters. All operations shall be conducted in accordance with CHSI’s operation specifications.

## 3. TERM OF LEASE

The term of lease shall commence on July 8, 2008 and shall continue for a period of three (3) years.

## 4. CONDITION OF EQUIPMENT

Each party undertakes and warrants that whenever it delivers or redelivers Helicopter to the other party pursuant to this Agreement, the Helicopter will be clean and in good repair and operating condition, will meet all the requirements

of its applicable Airworthiness Certificate and, in the case of a redelivery, will be in the same condition as when delivered, ordinary wear and tear excepted.

## 5. RENT

- a. For the lease of the Helicopter during the applicable term, CHSI shall pay to CARSON the following amounts: [REDACTED] per month per helicopter (monthly rent) plus [REDACTED] per flight hour maintenance charge until the termination of this agreement.
- b. CHSI shall maintain accurate flight hour, and cycle utilization data for the Helicopters covered by this lease and shall submit monthly reports to CARSON.

## 6. PAYMENT SCHEDULE

- a. Monthly Rent: All payments to CARSON will be made in a prompt manner so as to be received by CARSON no later than the 10<sup>th</sup> of each month.
- b. Maintenance Charge: Within fifteen (15) days after the close of each lease month, CHSI shall pay to Carson the Maintenance Charge amount accrued during the preceding lease month. For purposes of this section,

flight hours of each Helicopter shall be recorded by CHSI on the basis of actual hours flown in revenue and non-revenue operations.

#### 7. REGISTRATION AND INSIGNIA

The leased Helicopter will be operated under a U.S. registration number carrying the insignia of "N" Number markings on the exterior of the Helicopter during the lease term.

#### 8. LIENS AND ENCUMBRANCES

CARSON represents and warrants that CARSON has the lawful right to lease the Helicopters in accordance with the terms of this Agreement. CHSI shall not suffer any lien or encumbrance to be placed on the Helicopters by reason of any act or failure to act on the part of CHSI, and, if such lien or encumbrance is placed on any such Helicopter, shall promptly cause its discharge.

#### 9. COMPLIANCE WITH LAWS

CHSI agrees that while the Helicopter is under lease from CARSON, CHSI crews will not operate such Helicopter in violation of any law, rule, regulation, or requirement of any government or governmental agency having jurisdiction over such operations, or knowingly operate such

Helicopter in violation of any airworthiness or operating certificate requirement or registration.

#### 10. INDEMNITY

CHSI agrees to defend, indemnify, protect and save harmless CARSON, its agents and employees, from and against any and all claims and suits or liabilities for personal injury to or death of CHSI employees, passengers, or third parties, and all liabilities for loss of or damage to baggage, cargo or property, which arise out of the operation of these Helicopters.

#### 11. LOSS OR DAMAGE TO HELICOPTERS

- a. Except as otherwise provided in this Agreement, CHSI assumes and shall bear the risk of loss and damage and all uninsured costs of removal of and repairs to the Helicopters which its crews operate from any and every source whatsoever and agrees to indemnify and hold harmless CARSON from such losses, excluding, however, any such loss or damage which is attributable to the condition of the Helicopters when delivered or to the negligence or willful misconduct of CARSON or any of CARSON'S agents and employees.

- b. CARSON agrees to indemnify and hold CHSI harmless from any liabilities or responsibility because of the death of or injury to any CARSON employees while performing hereunder, except the injuries and death caused by the negligence or willful misconduct of CHSI or its agents, or employees while performing hereunder.
- c. Each party shall promptly furnish to the other party notice of any litigation and copies of all pleadings which may affect the Agreement and wherein such other party may be involved, and shall advise such other party of all developments with respect thereto.

## 12. INSURANCE

- a. During the lease of these Helicopters, CHSI shall keep in full force and effect Hull, Liability, and Property insurance reasonably acceptable to CARSON.

## 13. POSSESSION AND USE OF THE HELICOPTERS

- a. CHSI shall during the term of this Agreement at its expense operate the Helicopters only in a normal and proper manner and in accordance with the rules and regulation of the Federal Aviation Administration (FAA) applicable to CHSI's operations and the custom of trade.

- b. The Helicopter will be operated in accordance with CHSI's Flight Manual and with the recommended operating procedures and, unless in conflict with the foregoing, the Operations Manuals, if any, of the Manufacturers of the Helicopter, and the related engines, equipment, components or accessories.
- c. The Helicopter will not be maintained, used or operated in violation of any law or any rule, regulation, or order of any government or government authority having jurisdiction or in violation of any airworthiness certificate, license, or registration relating to the Helicopters or engines issued by any such authority.
- d. The Helicopters will not be flown by CHSI or suffered to be flown in any area excluded from coverage by any insurance policies in effect with respect to the Helicopters, nor will the Helicopters be used or operated otherwise in violation of such insurance policies.
- e. CHSI shall permit CARSON, or any authorized agent or representative of CARSON, to inspect the Helicopters at any reasonable time and shall furnish CARSON and its duly authorized agent or representative such information with respect to the Helicopters and their use that

CARSON or such agent or representative may reasonably request. CARSON shall not have any duty to make any such inspection or incur any liability or obligation by reason of not making any such inspection.

#### 14. MAINTENANCE OF THE HELICOPTERS

- a. CHSI shall perform or cause to be performed all maintenance, service, and repairs, including but not limited to repair of damage and premature failure, necessary to keep the Helicopters in a condition equivalent to their condition at the time of delivery, reasonable wear and tear excepted. Operations shall be in accordance with CHSI's operating specifications and maintenance manuals and such other manuals, including those of any manufacturer, as may pertain to operation of the Helicopters.
- b. CHSI shall assume full responsibility for operation of the Helicopters, including all repairs and maintenance of the Helicopters.
- c. CARSON will provide maintenance services for all dynamic component overhaul, to include Engine System Drive, Drive Train, Hydraulic System, Rotor System, Avionic System, Electrical System and Airframe for the duration of this lease. Maintenance services will be performed



through CARSON'S FAA Repair Station, Certificate Number NBER647G, located in Perkasio, PA. Maintenance will be performed to Air Carrier Operations standards governed by 14CFR, Part 135. Maintenance will be performed in accordance with CARSON'S Sikorsky SK-61 Maintenance/Inspection Program FAR 91, FAR 43, FAR 135.

#### 15. EVENTS OF DEFAULT - REMEDIES

- a. It shall be an Event of Default hereunder whenever
  - i. CHSI shall fail to make any payment of rent or other invoices due under this Agreement; and such default shall continue uncured for twenty (20) days after notice thereof to CHSI by CARSON; or
  - ii. CHSI shall default in the performance of any of its other obligations under this Agreement and such default shall continue uncured for thirty (30) days after notice thereof to CHSI by CARSON; or
  - iii. CHSI shall become insolvent or bankrupt or make an assignment for the benefit of creditors.
- b. Whenever an Event of Default exists and is continuing, CARSON may:

- i. Proceed by appropriate actions to enforce performance by CHSI of its applicable covenants and agreements hereunder or to recover damages for the breach hereof, and
- ii. Terminate the lease hereunder with respect to the Helicopters by giving written notice of such termination to CHSI, in which event CHSI shall redeliver the Helicopters so specified to CARSON as if the term of the lease with respect to the Helicopters had expired by the terms hereof on the date specified by CARSON for such termination.

#### 16. RETURN OF HELICOPTERS

- a. CHSI agrees to deliver to CARSON, at the termination of this agreement:
  - i. The Helicopter Log and all inspection and overhaul records applicable to the Helicopters, including current documentation of all maintenance, replacements, and substitutes performed or made by CHSI; and

- ii. All technical data and documents and other manuals, reports, papers, and records delivered to CHSI by CARSON in respect to the Helicopters
  - iii. All documents delivered to CARSON pursuant to this paragraph shall thereupon become the property of CARSON
- b. If, for any reason, CHSI fails to return the Helicopters to CARSON in compliance with the terms hereof, CARSON may take immediate possession of the Helicopters (and all records appurtenant thereto) either with or without legal process, wherever they may be found: and, for the purpose, enter upon any premises where such Helicopters are kept and remove the same without liability for trespass or any damage necessitated in order to gain entrance and remove the same. CHSI shall reimburse and indemnify CARSON for all costs and liabilities incidental to the repossession of the Helicopters by suit or otherwise.
- c. At redelivery representatives of CARSON and CHSI shall execute and deliver duplicate receipts with respect to transfer of possession of the Helicopters and other equipment. Such receipts shall show the date and place of redelivery.

## 17. NOTICES

All notices required to be given in writing hereunder shall be deemed given when properly addressed and mailed to the respective parties at the addresses shown below:

To CHSI:                      Steve Metheny  
   Vice-President  
   Carson Helicopter Services, Inc.  
   828 Brookside Boulevard  
   Grants Pass, OR 97526

TO CARSON:                  Franklin Carson  
   President  
   Carson Helicopters, Inc.  
   952 Blooming Glen Road  
   Perkasie, PA 18944

## 18. GOVERNING LAW

Upon its execution by the parties hereto, this Agreement shall take effect as a sealed contract under the laws of the Commonwealth of Pennsylvania and shall be binding in accordance therewith upon the parties hereto, their successors and assigns.

## 19. ENTIRE AGREEMENT

The respective rights and obligations of CARSON and CHSI hereunder shall not be modified except by written agreement between the Parties.

## 20. SUB-LEASE

This agreement has no provisions authorizing the sublease of these Helicopters without the express written permission of CARSON.

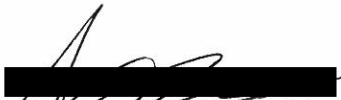
## 21. ARBITRATION

Any controversy relating to this Agreement shall be settled by arbitration in the Commonwealth of Pennsylvania pursuant to the rules then in effect of the American Arbitration Association. Judgment upon the award may be entered in any court having jurisdiction.

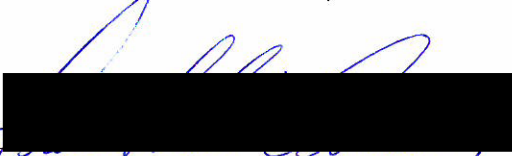
TRUTH IN LEASING STATEMENT. THESE AIRCRAFT, ALL SIKORSKY S-61N'S HAVE BEEN MAINTAINED AND INSPECTED UNDER FAR PART 91 FOR THE TWELVE-MONTH PERIOD PRECEDING THE SIGNING OF THIS AGREEMENT. THE PARTIES CERTIFY THAT ALL AIRCRAFT COMPLY WITH APPLICABLE MAINTENANCE AND INSPECTION REQUIREMENTS OF FAR PART 91 FOR THE OPERATIONS TO BE CONDUCTED BY LESSEE. THE AIRCRAFT WILL BE MAINTAINED AND INSPECTED UNDER FAR PART 91 OR FAR PART 135 FOR OPERATIONS TO BE CONDUCTED UNDER THIS LEASE. DURING THE DURATION OF THIS LEASE, LESSEE IS CONSIDERED RESPONSIBLE FOR OPERATIONAL CONTROL OF THIS AIRCRAFT. EACH PARTY CERTIFIES THAT IT UNDERSTANDS ITS RESPONSIBILITIES FOR COMPLIANCE WITH APPLICABLE FEDERAL AVIATION REGULATIONS. AN EXPLANATION OF THE FACTORS BEARING ON OPERATIONAL CONTROL AND PERTINENT FEDERAL AVIATION REGULATIONS CAN BE OBTAINED FROM THE NEAREST FAA FLIGHT STANDARDS DISTRICT OFFICE.

In WITNESS WHEREOF, this Agreement has been executed by the parties,  
by their respective officers thereunto duly authorized, as of the day and date  
first above written.

CARSON HELICOPTER SERVICES, INC.

By:   
Steve Metheny  
Vice-President

CARSON HELICOPTERS, INC.

By:   
Franklin Carson  
President