

HELICOPTER SERVICES AGREEMENT

This Helicopter Services Agreement (this "**Agreement**") is by and between Erickson Air-Crane Incorporated, a Delaware Corporation with offices at 5550 SW Macadam Avenue, Suite 200, Portland, Oregon ("**Erickson**") and County of El Dorado with offices at 330 Fair Lane, Placerville, California 95667 ("**Customer**").

If not otherwise defined, all capitalized terms in this Agreement have the meanings and definitions given to them in Schedule A, attached to this Agreement. This Agreement and Schedule A are and will be construed as a single instrument.

Erickson and Customer agree as follows:

1. SERVICES

1.1. Erickson agrees to provide and operate the Helicopter for Customer and perform, at the reasonable direction of Customer, the Services as defined in Schedule A in accordance with the terms and conditions set forth in this Agreement.

2. PRICE; PAYMENT TERMS

- 2.1. In consideration of Erickson's Services, Customer agrees to pay Erickson the Minimum Contract Price and any other applicable fees listed in Schedule A (collectively, the "**Contract Fee**").
- 2.2. Any changes to the Services must be mutually agreed upon and Erickson may adjust the Contract Fee accordingly.
- 2.3. All pricing and fees listed in this Agreement and in Schedule A are listed in U.S. Dollars, unless stated otherwise.
- 2.4. **Taxes.** Customer shall pay all applicable sales or excise taxes.
- 2.5. **Invoicing.** Within ten (10) days following the earlier of (i) completion of the Services or (ii) the end of the month during which Services are being provided, Erickson shall provide an invoice to the Customer setting forth amounts due under the terms of this Agreement (the "Invoice").
- 2.6. **Payment Terms.** Payment is due to Erickson from the Customer thirty (30) days from the Invoice date.
- 2.7. **Late Payment.** Payments received after the due date may be subject to a charge of 1½% per month at Erickson's discretion.

3. ERICKSON'S RESPONSIBILITIES

- 3.1. **Personnel.** Erickson shall provide qualified pilots and ground support crew and equipment as required for the Helicopter.
- 3.2. **Management of the Helicopter.** The working schedule for Erickson's crew shall be established by Erickson, and the crew shall remain under the exclusive management and supervision of Erickson during performance of the Services. Erickson will work closely with Customer to provide the Services in accordance with Customer's job schedule.
- 3.3. **Rigging.** Erickson shall provide its standard helicopter rigging which includes either: (a) four 40' cables (two on each end of a 6' spreader bar), with electric release hooks that are controlled by the pilot; or (b) an appropriate length long-line ("**Helicopter Rigging**").
- 3.4. **Permits.** Erickson shall obtain the necessary Federal Aviation Administration ("**FAA**") permits and approval for the Services.
- 3.5. **Worker's Compensation.** Erickson shall provide and maintain worker's compensation coverage for its employees and shall comply with all applicable laws and regulations respecting the employment and payment of labor, including where applicable the (i) Federal Wage and Hour Act; (ii) Civil Rights Act of 1964 and Executive Order 11246 (Equal Employment Opportunity); and (iii) Immigration Reform and Control Act of 1986.

4. CUSTOMER RESPONSIBILITIES

- 4.1. Customer shall comply with all applicable requirements of the following documents, which can be accessed on Erickson's website or through the hyperlinks below:
 - 4.1.1. Site Inspection Sheet (available here);
 - 4.1.2. Customer Checklist (available here);

- 4.1.3. Planning Information List (available [here](#)); and
- 4.1.4. External Load Operation Plan, which shall be provided to Customer by Erickson during the site visit (Collectively, the "**Customer Requirements**").
- 4.2. Customer acknowledges that its failure to materially comply with the Customer Requirements or to cooperate with Erickson as required by any of the Customer Requirements shall be a material breach of this Agreement.
- 4.3. **Job Site.** Customer shall secure: (a) a level (no more than 2% slope) pick-up site approximately 200 feet by 200 feet that is at least 300 feet away from the nearest building; (b) a 300 foot wide flight path; and (c) a delivery site (Collectively the "**Job Site**"). In accordance with FAA regulation, Customer shall ensure that all people, cars and buildings within 150 feet of the Job Site are evacuated during the lift operation. If the Job Site is sandy or dusty, Customer shall supply a water truck or other form of dust abatement at Customer's cost.
- 4.4. **Permits.** Customer shall obtain any non-aviation permits that may be required. Customer shall obtain any police, fire, or security personnel that may be required on the Job Site for any reason (including traffic control).
- 4.5. **Rigging.** Customer shall obtain all rigging except the Helicopter Rigging as defined in Section 3.3 of this Agreement, or Customer will be charged purchase and shipping costs for any Erickson supplied non-standard rigging and equipment that may be required. Customer is responsible for the rigging points of each lift and for ensuring that these points will not allow the load to upset itself during the lifting operation.
- 4.6. **Hazardous Materials.** Customer represents and warrants that the property being lifted or transported (the "**Cargo**") does not include hazardous or toxic materials or substances and that the transfer or transport of the Cargo will not be in violation of any regulatory or statutory authority.
- 4.7. **Regulations.** Customer shall comply with all regulatory and statutory authorities applicable to Customer, its property and the Cargo. Such regulatory and statutory authorities include, but are not limited to, environmental, hazardous waste, and toxic material regulations and laws governing maintenance, monitoring, transfer, and remediation of covered activities and substances.

5. SAFETY

- 5.1. Erickson, or any of its pilots operating the Helicopter, shall have the right to refuse or suspend operations in the interest of safety, whether the hazard be weather or other natural conditions, mechanical problems, risks created by Customer's employees or anyone else working at the Job Site, or any other situation that in Erickson's reasonable opinion involves an unreasonable risk of injury to any person or damage to any property.

6. INDEPENDENT CONTRACTOR STATUS

- 6.1. Erickson is an independent contractor furnishing only the Services described in this Agreement, and is not a co-venturer or subcontractor of Customer. Erickson shall not be responsible for, or deemed to be aware of, any of the provisions, obligations, conditions, or specifications of any contract between Customer and any third party, except to the extent that such provisions, obligations, conditions or specifications were: (a) expressly provided to Erickson in writing; and (b) acknowledged by Erickson, in writing, prior to the execution of this Agreement and attached hereto.

7. TERM

- 7.1. The Services shall begin on or after the Start Date and end on the first to occur of the following: (i) the date of completion of the Services; (ii) the date of irreparable damage to or loss or destruction of the Helicopter; (iii) the effective date of any governmental or judicial order or regulation prohibiting, or substantially interfering with, the operation of the Helicopter; or (iv) the Finish Date.

8. DELAYS

- 8.1. **Customer Delays.** Customer shall provide Erickson with prompt written notice of any delay of the Start Date.
- 8.2. **Erickson Delays.** If Erickson is delayed in performing the Services as a result of causes beyond its reasonable control (force majeure), or because of any refusal or suspension occurring under Clause 5.1 hereof, the time for performing the Services shall be extended and a new mutually agreeable time shall be arranged between the parties.

9. MATERIAL BREACH; CANCELLATION

- 9.1. If Customer materially breaches this Agreement and fails to cure within a reasonable time, or if Customer cancels the Services without good cause, then Customer shall pay:
- 9.1.1. The Mobilization Fee, if the Helicopter arrives at the Job Site ready for work and thereafter does not commence performance of the Services;
 - 9.1.2. The Mobilization Fee plus a pro-rata proportion of the Minimum Contract Price based on work completed, if performance of the Services has been commenced; or
 - 9.1.3. A cancellation fee in the amount of 20% of the Minimum Contract Price, if Customer materially breaches or cancels within 21 days before the Start Date but prior to the arrival of the Helicopter at the Job Site.

10. INDEMNITY AND INSURANCE

- 10.1. Erickson shall indemnify, defend and hold harmless Customer, its successors and permitted assigns, and any of Customer's affiliates, officers, directors, employees, agents and subcontractors from and against all liability, loss, damage, cost and expense (including reasonable attorneys' fees) caused by, arising out of or resulting from (i) any breach of any of the representations, warranties, covenants or agreements made by Erickson under this Agreement; or (ii) any negligent acts or omissions or willful misconduct of Erickson, its directors, officers, employees, agents, contractors, subsidiaries, parents, affiliates or those acting under any of them.
- 10.2. Customer shall indemnify, defend and hold harmless Erickson, its successors and permitted assigns, and any of Erickson's affiliates, officers, directors, employees, agents and subcontractors from and against all liability, loss, damage, cost and expense (including reasonable attorneys' fees) caused by, arising out of or resulting from (i) any breach of any of the representations, warranties, covenants or agreements made by Customer under this Agreement (including, but not limited to, Customer's Responsibilities listed in Section 4 of this Agreement); (ii) any loss of or damage to property on the ground at and immediately adjacent to the Job Site caused by downwash from the helicopter rotors, except to the extent caused by Erickson's gross negligence or willful misconduct; (iii) any loss of or damage to the Cargo or to the Delivery Site, caused by the inadequacy of Customer's rigging or preparation or caused by any pre-existing condition of the Delivery Site; or (iv) any negligent acts or omissions or willful misconduct of Customer, its directors, officers, employees, agents, contractors, subsidiaries, parents, affiliates co-venturers or those acting under any of them.
- 10.3. A party intending to make a claim for indemnification ("**Indemnified Party**") other than in respect of a Third Party Claim (as defined in Section 10.4 below) shall provide the other party ("**Indemnifying Party**") with written notice of the claim (the "**Claim**"). The Indemnifying Party shall have 30 days to investigate the Claim. For the purpose of such investigation, the Indemnified Party shall make available to the Indemnifying Party the information relied upon by the Indemnified Party to substantiate the Claim. If the Indemnified Party and the Indemnifying Party agree within the 30 day period (or any mutually agreed upon extension thereof) to the validity and amount of the Claim, the Indemnifying Party shall immediately pay to the Indemnified Party the full agreed upon amount of the Claim. If the Indemnified Party and the Indemnifying Party do not agree within such period (or any mutually agreed upon extension thereof), the parties shall submit the dispute to an arbitrator for resolution.
- 10.4. The Indemnified Party shall notify the Indemnifying Party in writing as soon as is reasonably practicable after being informed in writing that facts exist which may result in a claim, where a right of indemnification may apply, that originates from a person other than the Indemnified Party ("**Third Party Claim**"). Such notice shall be accompanied by a statement of all material details and circumstances relating to the Third Party Claim within the knowledge of the Indemnified Party.
- 10.5. Erickson maintains and shall maintain during performance of the Services, Comprehensive Aircraft Liability Insurance with a limit of five million dollars (\$5,000,000). Certificates verifying this coverage are available to Customer, upon request. Customer maintains and shall maintain during performance of the Services, Comprehensive General Liability Insurance with a combined single limit of not less than USD \$1,000,000 per occurrence in excess of its deductible and/or self insured retention. Certificates verifying this coverage shall be made available to Erickson, upon request.

11. GENERAL

- 11.1. Entire Agreement; Amendments. This Agreement (including Schedule A and all documents referenced herein) is the entire agreement between the parties and, when executed by Erickson and Customer, supersedes any and all verbal agreements and terms of any purchase orders and/or acceptance documents covering the same work. This Agreement may not be altered or amended except by a writing signed by both parties. Signatures of Erickson or Customer on purchase orders or acceptance documents executed in conjunction with this Agreement, regardless of when dated, shall not be deemed an alteration or amendment of the terms of this Agreement.
- 11.2. Notices. Notices shall be considered given under this Agreement when delivered in person or when actually delivered by express courier or registered mail to Erickson or Customer, as applicable, at the address shown on the first page of this Agreement, or to any subsequent address of which the party to whom the notice is being sent has notified the other party as provided herein.
- 11.3. Governing Law; Jurisdiction. This Agreement shall be governed by, applied and interpreted according to the laws of Oregon, exclusive of any choice of law rule which would result in the application of any law other than that of the designated state. The parties hereby irrevocably consent to the exclusive jurisdiction of any District or State court sitting in Multnomah County, Oregon in connection with any action to determine any dispute arising under this Agreement or to enforce the provisions hereof and further agree that any such court is a proper venue and not an inconvenient forum for such action.
- 11.4. Costs and Attorney's Fees. In any suit or action brought by either party to enforce the provisions of this Agreement, the prevailing party in such suit or action shall, in addition to the costs and expenses provided by law, be entitled to recover its reasonable costs and expenses, including attorney's fees from the other party.
- 11.5. Severability; Non-Waiver. If any term or provision of this Agreement shall be held invalid, the remaining terms hereof shall have full force and effect to the extent reasonably practicable. Any failure or delay of either party in exercising any right hereunder shall not be deemed to be a waiver or relinquishment of such right. Any express waiver or relinquishment of a term or condition of this Agreement shall not be binding or effective unless made in writing signed by the party waiving or relinquishing its rights.
- 11.6. Disclaimer. Erickson hereby disclaims and shall not have any liability or obligation for loss of use, delay or loss of business, revenue or profit with respect to the Services provided or contemplated under this Agreement nor for any liability of the Customer to any third party or any other liquidated, incidental, special, consequential or indirect damages whatsoever and howsoever caused. Erickson's liability for loss of or damage to the Cargo is limited to the actual replacement cost of such property.
- 11.7. Counterparts. This Agreement may be executed in any number of counterparts and by each of the parties in separate counterparts, each of which when so executed shall be deemed to be an original, and all of which taken together shall constitute one and the same instrument.
- 11.8. Assignment. Neither party may assign (other than the right to receive moneys due) or transfer any rights or obligations under this Agreement to any third party, other than an affiliate of that party, without the prior written consent of the other party.

IN WITNESS WHEREOF, the duly authorized representatives of the parties have executed this Agreement on the dates set forth below.

ERICKSON AIR-CRANE INCORPORATED

CUSTOMER

Signature

Signature

Title

Title

Date

Date

Schedule A to Erickson Air-Crane's Helicopter Services Agreement

1. Services (collectively the "Services"):

Type of Lift (Select all that apply):

HVAC ; Power Line ; Pipe Line ; Antenna Tower ; Ski Lift ; Hydro-mulch ;
Wind/Blades ; Structural Steel ; Shelter ; Rock/Concrete Bucket ; Drill Rig ;
Heavy Machinery ; Other -

Job Title: Rubicon Trail Material Hauling, Little Sluice

Maximum Weight: 10,500 Lbs

Job Site Address: Loon Lake, California

Start Date: September 27, 2012 ("Start Date"), or September 28, 2012 if weather delays. If customer delayed, Project delay rate shall apply.

Finish Date: September 27, 2012 ("Finish Date"), or September 28, 2012 if weather delays. If customer delayed, Project delay rate shall apply.

2. Make and Model of Helicopter: An Erickson (Sikorsky) S-64 Airplane of Erickson's choice (the "Helicopter")

3. Materials and Equipment: Standard rigging, and 2 EAC 5 cubic yard rock buckets

4. Pricing and Fees (collectively, the "Contract Fee"):

Minimum Contract Price \$100,000 ("Minimum Contract Price") which includes:

- Mobilization/Demobilization: \$ 75,000 ("Mobilization Fee")
- Number of Hours: up to 2 hours, \$25,000
 - \$12,500/hour for additional flight time
- Number of Days: 1 day availability,
 - 2 days availability if weather delays
 - Price per additional Day: See "Project Delay" below

Customer agrees to pay the Minimum Contract Price in the following amounts and on the following schedule:

- Within five (5) business days of the execution of this Agreement, Customer shall pay half of the Minimum Contract Price (\$50,000).
- Customer shall pay the remaining balance of the Minimum Contract Price in accordance with Section 2 of this Agreement.

Aborts: If the Cargo is damaged during delivery or does not set properly because of the negligence of Customer, Customer shall pay flight time associated with the aborted load at hourly rate of \$12,500/hr in addition to Daily Rate.

Project Delay: If the Services are delayed by Customer after the Helicopter arrives to the Job Site, Customer shall pay \$25,000 for each day beyond the Finish Date.