

NXXXX

1999 BELL HELICOPTER 407



**Prepared for:
Mr. Banker**

**Prepared by:
Pat Malara III
December 2, 2018**

CERTIFICATIONS
Aircraft Appraisal Report – NXXXX
Conducted in conformity with the
Uniform Standards of Professional Appraisal Practice

I certify that to the best of my knowledge and belief:

- A. The statement of facts contained in this report are true and correct.
- B. The reported analysis, opinion, and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, impartial, unbiased professional analysis, opinions, and conclusions.
- C. I have no present or prospective interest in the property that is the subject of this report, and I have no personal interest with respect to the parties involved.
- D. I have no bias with respect to the property that is the subject of this report or to the parties involved with the assignment.
- E. My engagement in this assignment is not contingent upon developing or reporting predetermined results.
- F. My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal report.
- G. My analysis, opinions, and conclusions were developed, and this report has been prepared, in conformity with the current edition of the Uniform Standards of Professional Appraisal Practice.
- H. I have inspected the property that is the subject of this report.
- I. No one provided significant professional or personal property appraisal assistance to the person signing this certification and report.
- J. I have performed no services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three- year period immediately preceding acceptance of this assignment.

Patsy Malara III

Pat Malara III, NSCA
GNP ENTERPRISES, INC.

GNP ENTERPRISES, INC.
AIRCRAFT APPRAISAL REPORT

Client: Mr. Banker **Attention:** Appraisal Department
Company: Country Bank **Phone:** xxx-xxx-xxxx
Address:

This appraisal report is intended to be used by:
Mr. Banker

This appraisal report is to be held strictly confidential and should not be disseminated to anyone other than the intended users without the client's permission.

The purpose of this appraisal report is to form an opinion of the Market Value of the subject helicopter in U.S. Dollars for financing purposes. For the purposes of this helicopter appraisal report the helicopter is considered to be free and clear of all liens and encumbrances, unless noted within the report.

This helicopter appraisal report is intended to be used by the client for the purpose(s) noted. It should not be used for any other purpose, nor should it be considered valid after the effective date expressed in the report. The entire appraisal is based on this appraiser's visual examination of the helicopter and its records on the effective date of this report.

This report is not intended to be an evaluation of the mechanical condition of the helicopter, nor is any of the data herein intended to be used for evaluating the mechanical condition of the helicopter. This appraiser urges the client and/or purchaser of this helicopter to engage an FAA licensed A&P mechanic who has knowledge of the helicopter make and model to inspect the helicopter for mechanical defects prior to completing the purchase.

The scope of work for this assignment included:

- A. A physical examination of the subject helicopter identified in the Helicopter Identification Section of this report.**
- B. A physical examination of the helicopter's logbooks and records.**
- C. Determination whether the Sales Comparison, Cost, or Income approach is relevant to the subject helicopter. The Cost and Income approaches were deemed to lack relevance with regard to this helicopter as this type of helicopter is priced based on market activity.**
- D. Determination of Market Value of the subject helicopter.**
- E. The appropriate research that included many sources such as helicopters advertised for sale, published value information, and the use of proprietary databases.**
- F. The preparation of this Appraisal Report.**
- G. The registered owner of the helicopter was established using the helicopter's Canadian registration records as verification. It appears that the ownership may not have a bearing on the value of this helicopter. The registered owner is assumed to**

have full and legal title to the helicopter, and it is further assumed that the registered owner has the unconditional power to dispose of the property as it sees fit.

H. The Fair Market Value will include the Extraordinary Assumptions detailed in this report.

Helicopter Identification

Make: Bell Helicopter

Model: Eagle 407HP

Serial No: XXXXX

Reg. No.: NXXXX

Yr. Mfg.: 1999

Type of Helicopter: Single Engine

Airframe Total Time: 2,221.9 Hrs.

Airframe Total Time Detail of Calculation: There is no Hobbs meter installed on this helicopter to record the airframe and its component times in service. It appears that the times in service have been tracked and recorded each leg by the pilot through the Dailey Flight logbook. All times used in this report are taken directly from the logbooks or, in the case of the components from the status sheet(s). The total helicopter time in service; 2,221.9 hours at the time of the appraisal inspection.

Airframe Condition: Good

Comments on Visual Examination: The helicopter is very clean and appears to be well maintained. No visible fuel or engine oil leaks were observed. There were no dents or dings observed on the aircraft. No corrosion of the exterior surfaces was noted during the examination of the aircraft. All doors appeared to fit the helicopter properly. No hangar rash was noted.

Logbooks in Helicopter Appear: Original, however, the original airframe Logbook#1 representing the first five years and 501 hours of operations was missing or unaccounted for at the time of the examination. Eagle Copters will attempt to track down and recover the missing logbook.

Airframe Logbook Inventory and Comments:

Airframe Logbook #1: Missing. However, some of the original manufacture components cards are present in the aircraft records. The cards begin when the aircraft was new on 05/29/1999. It appears that this aircraft was originally purchased by Helicopters, Inc., Linden, NJ when new and registered as N54LM.

Airframe Logbook #2: The second airframe logbook begins on 06/24/2004 at 501 AFTT hours when the helicopter was exported to Spain and registered as EC-JAR. It closes on 10/19/2016 at 2,170 AFTT hours in service.

Airframe Logbook #3: The third airframe logbook begins on 01/09/2017 at 2,214 hours when the helicopter was exported to Eagle Copters South America, Chile and registered as CC-AUI. It closes on 08/29/2018 with an annual inspection, 2,221.9 hours AFTT total time in service.

Airframe Logbook #4: The fourth and current airframe logbook begins on 11/26/2018 at 2,221.9 hours when the helicopter was exported to Eagle Copters, LTD. Worldwide Fleet Management, Calgary, AB, Canada and registered as NXXXX.

Helicopter is Currently Registered To:

Address:

City, State, Zip:

Date of Registration: 23 October 2018

Registration Expiration Date: Unknown.

Location of Registration and Airworthiness Certificates: Located in a clear plastic pouch affixed to the center console adjacent to the pilot's lower left leg.

Location of Pilot's Flight Manual (POH): Located in a web pocket holder behind the front passenger seat.

Location of Weight and Balance, FAA 337 Forms, Equipment List: Located in a binder with the aircraft records.

Maintenance Status

Maintenance Inspection Date: 08/29/2018

Comments: The logs indicate this aircraft is maintained on an hourly and monthly inspection schedule basis in accordance with Bell Helicopter Maintenance Manuals. The last annual inspection was performed on 08/29/2018. There is limited information on the maintenance performed during the first five years and the first 501 hours of service due to a missing logbook. The subsequent logbooks indicate that the aircraft has been well maintained with routine component changes documented as required and on schedule. Many of the component cards were examined and cross checked against the status sheet(s) for accuracy and correctness.

Known Airframe Maintenance Issues: None

Estimated Cost To Repair: N/A

Transponder/Encoder Recertification Date: 12/14/2020

ELT Battery Due Date: 06/01/2020

Fire Extinguisher: 12/15/2019. Mounted on the bulkhead between the two front seats.

First Aid Kit: 12/15/2019. Mounted on the hat rack behind the middle aft seat.

Service Bulletin Status: Some manufacturer Service Bulletins appeared to be complied with.

AD's Complied With: Yes **Estimated Cost for AD's Compliance:** N/A

Skids and/or Tires Condition: Average

Exterior Paint Condition: Extra Fine

Repaint Date: 06/01/2017 **Repainted By:** Eagle Copters, Chile

Paint Comments: The aircraft is well covered and protected, no surface corrosion or paint oxidation has occurred. One spot on the black trim stripe appears to have bled onto the yellow during painting. The area affected is between the windscreen and the chin bubble on the forward left side of the fuselage. There are multiple paint chips in the left, aft doorjam.

Interior Condition: Good **Cabin Configuration:** Passenger

Panel Layout: Good

Window Condition: Average

Interior Comments: The cabin is configured with 7 seats, 1 crew and 6 passenger. There are 5 club type configuration seats in the aft cabin. The aft seats looking forward are 2 full size seats with a smaller middle seat. Note: if the center seat is not occupied there is a fold down arm rest between the outboard seats. The 2 full size club seats facing aft have an arm rest between the seats with two cup holders. The recently installed leather interior seats appeared to be in excellent condition with no rips or tears. The headliner appears to be stained. Parts of the interior plastic trim has scuff marks. The seat belts are soiled and worn and are earmarked for replacement. The interior plastic trim around all doors have multiple cracks, especially around the mounting screws.

Currently Installed Airframe Modifications

TYPE	FAA APPROVAL	STC DESCRIPTION	Part Number
STC	SH2243SO	AAI Folding Maintenance Step	407-536-101/102
STC	SH1366SO	AAI Preflight step/handle Kit	407-531-001/002
STC	SH3289SO	AAI Cabin & Crew Floor Protector	407-450-001
STC	SH1322SO	AAI Flightsteps	407-326-003
STC	SH1990SO	AAI Auto Crew & Flt Door Openers	407-575/512-001/103
STC	SH227WE	AAI Spacemaker	407-460-001
STC	SR00513AT	AAI Tail Rotor Lockout Kit	206-928-200
STC	SR01077AT	AAI Cargo Mirror	407-175-003
STC	SR01051AT	AAI Pilot Crew Window Slider	407-540-010
STC	SR00220DE	Air Comm Engine Bleed Air	407H-500-1
STC	SR02210DE	Air Comm Bleed Air Cabin Heating	407H-201-2
STC	SR00222DE	Air Comm Air Cond. w/Dual FWD Evaporators	407EC-202-2
STC	SR00975AT	Bristol Wire Strike Protection System	965-37401-001
STC	SR00898SE	Onboard Cargo Hook w/o Load Cell	200-258-01

The following is a list of STC/Modifications and Extraordinary Assumptions (see page 21, #5) that the buyer has requested to be installed prior to delivery:

1. Dart tail rotor lock out kit.
2. Longline and Bambi bucket provisions.
3. Dart baggage floor protector and single Cargo Mirror.
4. AAI hat rack safety net.
5. AAI locking fuel cap.
6. AAI deluxe console kit.
7. Onboard Cargo Hook and load weight kit.
8. Cargo Hook fixed provisions.
9. BlueSky Tracking System.
10. Six Drop Cords.
11. Dual Controls.
12. Pulselight.
13. High Visibility Crew & Cabin Doors.
14. High Visibility Door Openers.

15. Seat Covers-dust covers.
16. USFS wiring provisions with GPS and FM provision antennas.
17. Litter provisions for Single Litter.
18. Wire Strike provisioning system.

Note: Some of the requested STC/Modifications may already be installed or will be upgraded.

Damage History

Current Damage: None Listed

Historical Damage: None Listed

Engine Modifications

Date of Modification: 11/15/2018

Modification: Conversion to Eagle 407HP, IAW STC SR03496NY.

Eagle Copters has developed a Supplemental Type Certificate (STC) for the Bell 407 to remove the Allison Model 250-C47B engine and install the dual-channel FADAC Honeywell HTS900-2-1D engine. The purpose of this conversion is to provide better fuel efficiency, lower operating costs, more power (+200 SHP) and a 22% improvement in high altitude/hot ambient temperature performance without increasing power output to the transmission. This engine was originally developed from the Lycoming LTS 101.

Date of Modification: 11/15/2018

Modification: Eagle 407HP Inlet Barrier, installed IAW STC16-19.

Known Maintenance Problems with Engine(s): None known or reported

Estimated Cost to Repair: N/A

General Engine Comments: This engine has no hourly inspection requirements. The engine Service Life components are on a 15,000 Cycle inspection basis only, except the Power Turbine Disk Blades are on a 9,500 Cycle inspection basis. One Cycle is defined with each engine start and shutdown.

Engine

Make: Honeywell, Eagle 407HP

Shaft Horsepower: 1,021

Model: HTS900-2-1D; Dual-Channel FADEC

***Engine Serial Number:** P1271-XX

P/N: 4007-000-5

Total Time: 0

Cycles Since New: 0

Logbook Inventory and Comments: A new Engine Logbook and Status Cards will be issued upon completion of the STC #SR03496NY installation.

* This is a projected serial number. The actual S/N will be received upon delivery of the new engine from Honeywell Aerospace.

Time Limited Engine Components

Component	Service Life	Current Cycles Since New	Cycles Remaining
Engine Assembly	On Condition	0	15,000
GP Shaft	15,000 cycle requirement	0	15,000
1st Stage Impeller	15,000 cycle requirement	0	15,000
2nd Stage Impeller	15,000 cycle requirement	0	15,000
GP Turbine Spacer	15,000 cycle requirement	0	15,000
GP Turbine Disk	15,000 cycle requirement	0	15,000
GP Turbine Seal Plates	15,000 cycle requirement	0	15,000
Power Turbine Disk	15,000 cycle requirement	0	15,000
Power Turbine Blades	9,500 cycle requirement	0	9,500

Time Limited Components

Component	Time (hrs.) Since Overhaul/New	Life Limited
Grip Assembly	2,221 Hrs.	5,000 Hrs.
Main Rotor Blades (4)	N/A	<i>On Condition</i>
Orange Blade	1,948 Hrs.	<i>On Condition</i>
Red, Blue, & Green	2,221 Hrs.	<i>On Condition</i>
Main Rotor Hub	0 Hrs.	2,500 Hrs.
Mast Pole	788 Hrs.	5,000 Hrs.
Swash Plate & Support	0 Hrs.	2,500 Hrs.
Tail Rotor Blade (2)	N/A	<i>On Condition</i>
Green TR Blade	2,128 Hrs.	<i>On Condition</i>
Blue TR Blade	1,826 Hrs.	<i>On Condition</i>
TR Servo	2,221 Hrs.	2,500 Hrs.
Transmission	0 Hrs.	2,500 Hrs.

Main Rotor Blades (4) Serial Numbers: Green Blade S/N A-1743, Orange Blade S/N A-2422, Blue Blade S/N A1863, Red Blade S/N A-1727.

Tail Rotor Blades (2) Serial Numbers: Green Blade s/n A-3469, Blue s/n A-3206.

Instrumentation

Full Panel: Yes

Dual Panel: No

Panel Configuration: Average

Panel Condition: Average

IFR Equipped: No

Comments: This helicopter is not certified for IFR flight. New engine instruments will be installed in conjunction with the Eagle engine upgrade.

Avionics to be Installed

Type of Avionic: BLIND ENCODER

Mfg: TRANS CAL

Model: SSD-120 RS 232

Quantity: 1

Type of Avionic: RADAR ALTIMETER

Mfg: GARMIN

Model: GRA 55

Quantity: 1

Type of Avionic: GPS COMM

Mfg: GARMIN

Model: GNS 430 W

Quantity: 1

Type of Avionic: TRANSPONDER

Mfg: GARMIN

Model: GTX 345

Quantity: 1

Type of Avionic: RADIOES

Mfg: TECHNISONIC

Model: TDFM 136B

Quantity: 2

Type of Avionic: AUDIO CONTROLLER

Mfg: JUPITER

Model: JA94 044

Quantity: 1

Type of Avionic: ALITUDE INDICATOR

Mfg: RC ALLEN

Model: DIGITAL

Quantity: 1

The avionics installed in this helicopter are considered to be Average when compared to other helicopters of the same make, model, and year.

Additional Equipment

Dual Controls: Yes

Type: Stick

Rotating Beacon: Yes

LED Anti-Collision Lights: Yes

LED Landing & Taxi Lights: Yes

LED Navigation Lights: Yes

Long Range Fuel: No

Total Fuel Capacity: 127 US GAL.

Toilet: No

Lavatory: No

Galley: No

Cabinetry: No

Other Equipment: High Gear Kit, Particle Separator Kit, Aux Fuel Kit (Fixed Provisions), Rotor Brake Kit (Dual Calipers), Dual Controls (Fixed Provisions), Sliding Passenger Windows, Max Internal Gross Weight, Tail Rotor Pedal Stop Kit, Drivetrain Modification.

Aircraft Appraiser's Comments

This helicopter received its original airworthiness certificate on 07/23/1999 and was registered to Helicopters, Inc. in Linden, NJ as N54LM. It was exported to Spain on 06/29/2004 with 501 hours total time and registered as EC-JAR. The logs indicate that the aircraft was based in Spain for most of its life. The aircraft has been flown regularly until it was exported to Eagle Copters South America, Chile in 01/09/2017, registered as CC-AUI with 2.214 hours total time. It was refurbished with new paint and new leather upholstered seats. Scheduled maintenance inspections were also performed. After only 8 hours of flight time, the helicopter was exported to Eagle Copters, LTD. Calgary, AB Canada in October, 2018 and is currently registered as NXXXX. Major STC's include a new Honeywell engine which will be installed by Eagle Copters, LTD. to meet the requirements of the buyer X Helicopters, Inc. Upon completion of the scope of work, the helicopter will be exported to the U.S. and tentatively registered as NXXXX. The upgraded engine is the Honeywell HTS900 adding additional shaft horsepower and fuel efficiency.

The pitot static and transponder re-certification test will be performed on 11/15/2018. The current weight and balance was not available within the aircraft records; however, the new weight and balance will be established after the installation of the new engine and additional modifications.

The Jet Net database, a proprietary information gathering service, indicates that during the six month period between May of 2018 and Oct of 2018, there were 21 transactions involving both on and off market Bell 407 helicopter aircraft. The reader should note that not every transaction may be a sale to an end user. Some transactions may be duplicated as the helicopter is passed from one dealer/broker to another or from a financial institution to a dealer then to an end user.

Jet Net identifies these transaction as having gone from end user to end user (8), end user to dealer/broker (4), dealer/broker to end user (7), dealer/broker to leasing companies (2).

MARKET SUMMARY: There are a total of 1040 Bell Helicopter 407 aircraft ranging from 1995 through 2018 in operation worldwide. There are 531/51.1% based in the U.S. Sixty-three of the U.S. based helicopters were built in 1999. Forty-eight or 4.6% of the helicopters in operation ranging from 1996 through 2009 are for sale worldwide. Sixteen or 33.3% of the 48 aircraft are listed for sale "On Exclusive". Ninety-six or 9.2% of the helicopters in operation are on lease. There are (4) non-U.S. based **1999** Bell 407 aircraft are for sale with the average asking price of **\$1,500,000 USD**.

MARKET INDICIES for the six month period ending October, 2018:

- The number of worldwide Bell 407 for sale was down 2%;
- The average asking price was up 1% to \$1,831,000 USD;
- The average number of days on market (entire fleet) was up from 611 to 734 days, and increase of 20%.

EXPOSURE TIME (see definitions) was analyzed using the number of days it took to sell 37 aircraft during the same period above. The average number of days to sell was 111; however, the number was significantly higher during the first three months than the last three months. Therefore, I have

concluded that exposure time at the end of the year will continue to decrease to 90 days on market. Note: This data is based on Bell 407 helicopters with the original Allison engine. There is no Exposure Time data for analysis on a Bell 407 helicopter with the new Honeywell HTS900 engine installation. Be advised, the average of market data may be tainted by relisting aircraft for sale.

I have selected two helicopters that are similar to the Subject Aircraft for comparison purposes. It is important to note that the data regarding the comparison aircraft came from for-sale flyers and other database information. I did not see or evaluate the aircraft or their records; therefore, the information presented **does not** constitute appraisals of those aircraft. The information is included strictly for comparison to the Subject Aircraft.

The first (Helicopter #1) is a 1999 Bell 407, Serial Number 53358. It is based in Austria and has been on the market for over 500 days. The asking price is \$1,900,000. The total time on the aircraft is 1,239 hours during its life. The original installed stock engine, the Allison 250-C47B, also has only 1,239 hours since new. The installed avionics package is certified for IFR flight which is unique for this make and model helicopter. Adjustments have been made for this as indicated in the charts below. The paint and interior are said to be in good condition.

The second (Helicopter #2) is a 2002 Bell 407, Serial Number 53538. It is based in Los Angeles County, CA and has been on the market for over 350 days. The asking price is \$1,950,000. The total time on the aircraft is 600 hours. The Allison engine also has 600 hours since new. The avionics package is similar to the Subject Helicopter. The paint and interior are said to be in good condition.

The following pages include the comparison information and valuations. The reader should note that the differences in values between the Aircraft Bluebook system and the PAAO data are due to the differences in the evaluation systems themselves. PAAO values each piece of equipment installed in the aircraft while Bluebook deals in generalities based on an average equipped aircraft. The two systems also differ in that the PAAO data is collected and distributed to members on a monthly basis while Bluebook is issued quarterly. It is not unusual for Bluebook to be behind the volatile aircraft market.

Helicopter Comparison Chart Based on PAAO Data

(This information is for comparison purposes only)

Make: BELL AIRCRAFT COMPANY

	Helicopter #1	Helicopter #2	Subject Helicopter
Year	1999	2002	1999
Model	Bell 407	Bell 407	Bell 407HP
Serial Number	53358	53538	XXXXX
Asking Price	\$1,900,000	\$1,950,000	N/A
Airframe Total Time	1,239	600	2,221
Engine SMOH	1,239	600	0
Engine TBO(Hrs.)	2,000	2,000	On Condition
Days Listed For Sale	522	350	N/A
Adjust For:			
Airframe Time*	\$-19,200	\$-27,047	
Different Engine **	\$618,789	\$583,312	
Avionics ***	\$-44,283	\$-5,348	
Year Built	0	\$-165,000	
Time Limited Comp.	Similar to Subject	\$38,053	
Modifications	\$171,600	\$130,947	
Approximate PAAO Market Value	\$1,719,249	\$1,891,238	
Subject Aircraft Appraised Value			\$2,446,155

* The total airframe times in service for the two comparison helicopters are below the subject Helicopter time in service, and all three are below the average range for the year, make and model. Helicopter #1 has 1,239 hours and Helicopter #2 has 600 hours. The below the average times result in an addition of value of \$19,200 and \$27,047 respectively to equate to the Subject Helicopter. Note: A negative number indicates a subtraction to equate to the Subject Helicopter.

** Both Helicopter #1 and #2 have the standard Allison 250-C47B engine installed. The subject Helicopter has an upgraded Honeywell HTS900-2-1D engine. Note: A positive number indicates an addition to equate to Subject Helicopter.

***The Avionics are superior in both Helicopter #1 and #2 to the Subject Helicopter. The negative number indicates a subtraction to equate to the Subject Helicopter resulting in an additional of value of \$44,283 and \$5,348 respectively to equate to the Subject Helicopter.

Blue Book Base Average Bell 407 Installed Equipment

VFR	VHF-VOR	Transponder
ADF	Dual controls	Flight instruments
Heater	Rotor brake	Cargo hook
Half-Life Components	Maintenance/Inspections Half-Life	Original logs
Good paint & interior	No Damage History	ADs complied
		Engine Half-Life

Helicopter Comparison Chart Based on Aircraft Bluebook

(This information is for comparison purposes only)

	Helicopter #1	Helicopter #2	Subject Helicopter
Year	1999	2002	1999
Model	Bell 407	Bell 407	Bell 407
Serial Number	53358	53538	53370
Asking Price	\$1,900,000	\$1,950,000	N/Aa
Airframe Total Time	1239 Hrs.	600 Hrs.	
Engine Model	Allison 250-C47B	Allison 250-C47B	Honeywell HTS900-2-1D
Engine TBO (Hrs.)	2000 Hrs.	2000 Hrs.	15,000 Cycles
Factory New List Standard Price	\$1,370,000	\$1,495,000	\$1,370,00
Factory New List Average Equip Price	\$1,485,400	\$1,592,600	\$1,485,400
Average Retail Price	\$1,536,400	\$1,716,100	\$2,264,400
Average Wholesale Price	\$1,302,550	\$1,455,075	2,364,550

Note: The Aircraft Bluebook is designed and developed as a service for the purchasers thereof to assist them in arriving at the fair market value of aircraft listed herein, but is intended only as a guide and is not to be considered to reflect all factors involved in the appraisal process of any particular aircraft. All prices in the Bluebook Digest are considered a representative average.

The value arrived at is based on the helicopter’s use as a personal, corporate, utility or charter helicopter transporting passengers, which was the manufacturer’s original intent.

This aircraft, NXXXX, was personally examined on 11/30/2018 by Pat Malara III, NCSA, member of the National Aircraft Appraisers Association, at Calgary Airport, located at Calgary, AB, Canada.

The information contained in this report is private, confidential, and may be protected by appraiser/client/work-product privilege. It is intended only for the use of the individual named above and the privileges are not waived by virtue of this having been sent by mail. If the person actually receiving this report or any other reader of the report is not the named recipient or the employee or agent responsible to deliver it to the named recipient, any use, dissemination, distribution, or copying of the communication is strictly prohibited. If you have received this communication in error, please immediately notify us by return e-mail and/or telephone and then destroy this original report.

Appraisal Computation

Average Green Airframe Value* \$729,883

Additions

Add for Airframe Condition	\$101,260
Add for Airframe Low Total Time	\$17,250
Add for Annual and Mandatory Inspection	\$1,500
Add for Exterior Paint Value	\$10,200
Add for Interior Value	\$19,500
Add for Airframe & Engine Modifications	\$250,000
Add for Engine(s) Residual Value	\$750,000
Add for Time-Limited Components	\$565,434
Add for Avionics Value	\$18,378
Add for De-Ice Systems Value	\$0
Add for Additional Equipment	\$0
	=====
Total Additions	\$1,733,552

Deductions

Deduct for Airframe Condition	\$0
Deduct for Airframe High Total Time	\$0
Deduct for Damage History	\$0
Deduct for Missing Log book	\$-17,250
Deduct for Exterior Paint Value	\$0
Deduct for Interior Value	\$0
Deduct for AD's Estimated Cost for AD Compliance	\$0
Deduct for Estimated Cost to Repair Avionics	\$0
	=====
Total Deductions	\$-17,250

Based on the above, the Market Value of NXXXX is: \$2,446,155

*See Definitions

DEFINITIONS*

APPRAISAL: The act or process of developing an opinion of value.

APPRAISER: One who is expected to perform valuation services competently and in a manner that is independent, impartial, and objective.

ASSUMPTION: That which is taken to be true.

CLIENT: The party or parties who engage, by employment or contract, an appraiser in a specific assignment.

CONFIDENTIAL INFORMATION: Information that is either; identified by the client as confidential when providing it to an appraiser and that is not available from any other source; or classified as confidential or private by applicable law or regulation.

EXPOSURE TIME: Estimated length of time that the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal.

EXTRAORDINARY ASSUMPTION: An assumption, directly related to a specific assignment, as of the effective date of the assignment results, which, if found to be false, could alter the appraiser's opinions or conclusions.

HYPOTHETICAL CONDITION: A condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results, but is used for the purpose of analysis.

GREEN AIRFRAME VALUE: A credible value of the basic airframe with no components considered on an aircraft being traded in the retail aircraft market whole and in an airworthy condition or with airworthiness issues that are specified and considered with regards to their effect on value. On some aircraft the Green Airframe Value may be a negative number which signifies that the airframe has less value than the logical sum of its major components.

INTENDED USE: The use or uses of an appraiser's reported appraisal or appraisal review assignment opinions and conclusions, as identified by the appraiser based on communication with the client at the time of the assignment.

INTENDED USER: The client and any other party as identified, by name or type, as users of the appraisal or appraisal review report by the appraiser on the basis of communication with the client at the time of the assignment.

MARKET VALUE: The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller, each acting prudently, knowledgeably and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby: (1) buyer and seller are typically motivated; (2) both parties are well informed or well advised, and each acting in what he considers his own best interest; (3) a reasonable time is allowed for exposure in the open market; (4) payment is made in terms of cash in U. S. dollars or in terms of financial arrangements comparable thereto; and (5) the price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

SCOPE OF WORK: The type and extent of research and analysis in an appraisal or appraisal review assignment.

*Definitions from the 2014-2015 edition of USPAP except the definition of Market Value is from Freddie Mac, and the definition of Green Airframe Value is from NAAA.

Statement of Assumptions and Limiting Conditions

The information herein has been prepared from many sources and believed to be correct. **GNP ENTERPRISES, INC.** does not warrant the accuracy of the source material.

An examination and inventory was conducted by a physical examination of the external surfaces of the aircraft, cockpit and passenger cabin. It includes an inventory and assessment of general condition of avionics, instrumentation and aircraft systems. No inspection plates were removed for internal examination. Further, the log books and other records were carefully examined for compliance with FAA regulations relating to damage and maintenance history, along with other required inspections.

All opinions of value presented in this report are the appraiser's professional opinion.

No equipment was operated nor was any power applied to the aircraft by the appraiser.

***The following extraordinary assumptions were made:**

1. All aircraft records were assumed to be authentic and unaltered unless specific comments indicate otherwise. Signatures attesting to, and inspections detailed therein, were assumed to be entered by persons designated and appropriately licensed to make such entries.
2. The subject aircraft is assumed to be airworthy to FAA standards and capable of being operated and flown on the effective date of the report under FAR Parts 91, 121, or 135 unless the appraiser has reason to believe that it is not. In that case an explanation is included within the report.
3. AD compliance was attested to by referencing the date of last annual inspection or other appropriate inspections.
4. Components that were removed from the aircraft at the time of the appraisal will be reinstalled and in airworthy condition.
5. **All Supplemental Type Certificates (STC's), Modifications and Hourly Inspections stated in Eagle Shop Memo #1, requirements from the buyer shall be completed which, if found to be incomplete, would alter the appraiser's opinions or conclusions.**

***No hypothetical conclusions were made within this report.**

The appraiser hereby certifies that he has no personal interest in the aircraft identified in this appraisal, nor any bias toward any of the parties who may be involved in the resulting transaction coincident to this report. The appraiser's fee is not contingent upon a predetermined value being reported or a percentage of the value being reported.

All values expressed in this report are in U.S. Dollars unless otherwise stated.

The effective date of this report is 12/02/2018. The report was completed on 12/06/2018.

The appraiser is not responsible for the source material used in this report. The material was supplied by the client, aircraft owner, operator or some other person familiar with the aircraft. Chain of custody through the life of the aircraft has not been established. Therefore, the party supplying the records has the full responsibility for their content.

The writer of this report reserves the right to recall all copies of this report to correct any omission or error.

In the event of error or omission, the liability of **GNP ENTERPRISES, INC.**, if any, is limited and may not, in any event, exceed the amount paid for the appraisal. Further, **GNP ENTERPRISES, INC.** accepts no responsibility for usage of this form unless signed by an officer of the company.

Pat Malara III
Pat Malara III, NSCA
Senior Certified Aircraft Appraiser

*See Definitions

GNP ENTERPRISES, INC.
Certificate of Appraisal

A visual examination and log book analysis was performed November 30, 2018, Bell 407 Helicopter, serial number XXXX at Calgary Airport, located at: Calgary, AB, Canada. It is the opinion of this appraiser that the fair market value of the above aircraft is:

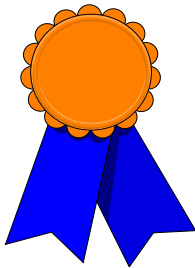
\$2,446,155

Two Million Four Hundred and forty-six Thousand One Hundred and Fifty-five Dollars and No Cents

This appraisal is valid when accompanied by appraisal Worksheet number #20181202NXXXX and signed by a Senior Aircraft Appraiser Certified by the Professional Aircraft Appraisers Organization.

SIGNED *Pat Malara III*

Pat Malara III, NSCA



SENIOR CERTIFIED AIRCRAFT APPRAISER