



September 18, 2020

In The Matter of the Petition  
of Public Service Electric and Gas Company  
for Approval of the Sale of Personal Property  
Known as the McDonnell Douglas MD530F Helicopter

BPU Docket No. \_\_\_\_\_

***VIA BPU E-FILING SYSTEM***

Aida Camacho-Welch, Secretary  
Board of Public Utilities  
44 South Clinton Avenue, 9<sup>th</sup> Floor  
P.O. Box 350  
Trenton, New Jersey 08625-0350

Dear Secretary Camacho-Welch:

Enclosed for filing on behalf of petitioner Public Service Electric and Gas Company is the Petition and exhibits in the above-referenced proceeding.

Consistent with the Order issued by the Board in connection with *In the Matter of the New Jersey Board of Public Utilities' Response to the COVID-19 Pandemic for a Temporary Waiver of Requirements for Certain Non-Essential Obligations*, BPU Docket No. EO20030254, Order dated March 19, 2020, this document is being filed electronically with the Secretary of the Board and the New Jersey Division of Rate Counsel. No paper copies will follow.

Thank you for your cooperation.

Very truly yours,

A handwritten signature in blue ink, appearing to read "Joseph A. Shea, Jr.", with a stylized, cursive script.

Joseph A. Shea, Jr.

C Attached Service List (electronic only)

**BPU**

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**STATE OF NEW JERSEY  
BOARD OF PUBLIC UTILITIES**

IN THE MATTER OF THE PETITION OF	)	PETITION FOR APPROVAL OF
PUBLIC SERVICE ELECTRIC AND GAS	)	SALE AND CONVEYANCE
COMPANY FOR APPROVAL OF THE SALE	)	
OF PERSONAL PROPERTY KNOWN AS THE	)	DOCKET NO. _____
MCDONNELL DOUGLAS MD530F	)	
HELICOPTER		

Public Service Electric and Gas Company (“PSE&G” or “Company”), a corporation of the State of New Jersey, having its principal offices at 80 Park Plaza, Newark, New Jersey, respectfully petitions the New Jersey Board of Public Utilities (“Board” or “BPU”), pursuant to N.J.A.C. 14:1-5.6, as follows:

**INTRODUCTION**

1. The Company acquired that certain helicopter known as the McDonnell Douglas MD530F Helicopter bearing Manufacturer’s Serial Number 0146FF and U.S. Registration Number N532EZ (the “Helicopter”) on or about December 27, 2006. The purchase price for the Helicopter was approximately \$1.4 million (which includes closing costs and charges incurred by PSE&G to acquire the Helicopter). The Company has used the Helicopter to conduct aerial inspections and system patrols of the high voltage overhead transmission system, both scheduled and emergency, in response to outages, trips, and similar occurrences.

2. The Company has determined in the ordinary course of business that owning and operating the Helicopter is no longer cost-effective. The Company has and will continue to use contracted helicopter services on an as-needed basis to fulfill its inspection and related obligations.

3. The Company files this petition for approval to sell the Helicopter in accordance with that certain “Helicopter Sale and Purchase Agreement” dated as of August 28, 2020 (the “Contract”). Pursuant to the Contract, PSE&G intends to sell the Helicopter and all personal property associated with the Helicopter (collectively, the “Property”) to Tim L. Harding, an individual United States citizen residing at 15696 Harding Road, Bryan, Texas 77807 (“Buyer”). The transaction closing will take place after all regulatory approvals are obtained and all other conditions for closing have been satisfied or waived. A copy of the fully executed Contract is attached hereto as Exhibit A.

### **MARKETING AND SALES PROCESS**

4. On or about May 13, 2020, PSE&G entered into a marketing agreement with Asian Sky Group Limited (“Broker”) to assist in locating a buyer for the Helicopter. A copy of the marketing agreement is attached as Exhibit B. The Broker conducted a robust, global multi-channel marketing effort that identified the Buyer as a potential purchaser of the Helicopter. On or about June 16, 2020, Buyer and PSE&G signed a letter of intent for the sale and purchase of the Helicopter in the amount of One Million Three Hundred Thousand Dollars (\$1,300,000.00). A copy of the letter of intent is attached as Exhibit C.

5. PSE&G engaged VREF Aircraft Value Reference, Appraisal & Litigation Services, 1411 McHenry Road, Suite 125, Buffalo Grove, IL 60089 to prepare an appraisal of the Helicopter. A copy of the “Aircraft Evaluation Report” dated July 21, 2020 is attached as Exhibit D. According to the evaluation report, the fair market value of the Property is One Million, Sixty Five Thousand Dollars (\$1,065,000).

6. The purchase price for the Property as set forth in the Contract is One Million



Three Hundred Thousand Dollars (\$1,300,000.00), which is nearly Two Hundred Thousand Dollars greater than the appraised value.

7. In accordance with N.J.A.C. 14:1-5.6(a), on August 6, 2020 and August 13, 2020, PSE&G placed an advertisement in the New Jersey Star Ledger advertising the sale of the Helicopter. See Exhibit E, Affidavit of Publication. The advertisement requested the submission of sealed bids on or before August 24, 2020. PSE&G received no sealed bids in response to this advertisement.

8. No relationship exists between the parties other than as seller and Buyer. A copy of Buyer's executed Certificate of Non-Affiliation is attached as Exhibit F.

9. The Property is not income producing.

10. The net proceeds from the sale of the Property will be credited to the cash account of PSE&G.

11. As of August 31, 2020, the net book value of the Property was carried on Company books for \$667,946. A copy of the proposed pro forma journal entry to record the transaction for the sale of the Helicopter is attached as Exhibit G.

12. The closing has been tentatively scheduled for October 30, 2020 conditioned upon the approval of this Board.

13. The Property is no longer needed or useful to PSE&G. The Contract and the sale of the Helicopter will not compromise PSE&G's ability to provide safe, adequate and reliable service to the public.

14. At the time of the closing of the transaction, the Property will not be subject to any lien or security interest.

15. David M. Daly, President of the Company, has full corporate power and authority

to enter into the Contract and effectuate the disposition of the Property, as evidenced by the Corporate Secretary Certificate attached hereto as Exhibit H.

16. Correspondence and communications with respect to the petition may be addressed to:

Joseph A. Shea, Jr. Esq.  
Associate Counsel – Regulatory  
PSEG Services Corporation  
80 Park Plaza, T5G  
Newark, NJ 07102  
973-430-7047  
[joseph.sheajr@pseg.com](mailto:joseph.sheajr@pseg.com)

#### **CONCLUSION AND REQUEST FOR APPROVAL**

For all the foregoing reasons, PSE&G respectfully requests that the Board expeditiously issue an order approving this Petition permitting the sale of the Property.

Respectfully submitted,

PUBLIC SERVICE ELECTRIC AND GAS  
COMPANY

A handwritten signature in blue ink, appearing to read "Joseph A. Shea, Jr.", written over a horizontal line.

By: \_\_\_\_\_  
Joseph A. Shea, Jr.  
Associate Counsel - Regulatory

Dated: September 18, 2020  
Newark, New Jersey

**STATE OF NEW JERSEY  
BOARD OF PUBLIC UTILITIES**

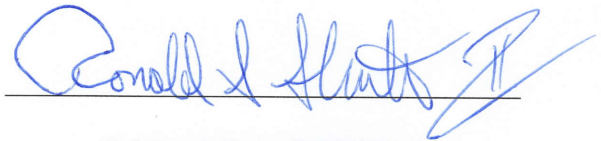
IN THE MATTER OF THE PETITION OF	)	PETITION FOR APPROVAL OF
PUBLIC SERVICE ELECTRIC AND GAS	)	SALE AND CONVEYANCE
COMPANY FOR APPROVAL OF THE SALE	)	
OF PERSONAL PROPERTY KNOWN AS THE	)	
MCDONNELL DOUGLAS MD530F	)	
HELICOPTER		

**VERIFICATION IN SUPPORT OF PETITION**

**RONALD S. SHUTE II**, of full age, certifies as follows:

1. I am Director, Outside Plant Engineering and Construction, for Public Service Electric and Gas Company ("PSE&G"), the Petitioner named in the foregoing Petition. I am duly authorized to make this Verification on behalf of PSE&G.
2. I hereby certify that I have read the Petition and the supporting documents thereto and find them to be true and correct to the best of my knowledge, information, and belief.
3. I further and finally certify that the foregoing statements made by me are true. I am aware that, if any of the foregoing statements made by me are willfully false, I am subject to punishment.

**Dated: September 17, 2020**



**RONALD S. SHUTE II**

# EXHIBIT A

**EXECUTION COPY**

**HELICOPTER SALE AND PURCHASE AGREEMENT**

dated as of August 28, 2020

by and between

**PUBLIC SERVICE ELECTRIC & GAS COMPANY,**

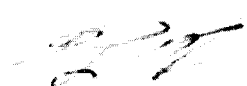
as Seller,

and

**TIM L. HARDING,**

as Purchaser

concerning the McDonnell Douglas MD530F helicopter bearing  
Manufacturer's Serial Number 0146FF and U.S. Registration Number N532EZ

A handwritten signature in dark ink, appearing to read "TH", is located in the lower right quadrant of the page.

## HELICOPTER SALE AND PURCHASE AGREEMENT

This **HELICOPTER SALE AND PURCHASE AGREEMENT** (this "**Agreement**") is made and entered into as of August 28, 2020 by and **PUBLIC SERVICE ELECTRIC & GAS COMPANY**, a New Jersey corporation with its principal place of business at 80 Park Plaza, Newark, New Jersey 07101, USA ("**Seller**") and **TIM L. HARDING**, an individual United States citizen residing at 15696 Harding Road, Bryan, Texas 77807 ("**Purchaser**").

### WITNESSETH:

**WHEREAS**, Seller is the legal owner of the Aircraft described and referred to herein and wishes to sell the Aircraft to Purchaser; and

**WHEREAS**, Purchaser desires to purchase the Aircraft described and referred to herein from Seller for total consideration in the amount of One Million Three Hundred Thousand United States Dollars (US\$1,300,000.00) as set forth herein; and

**NOW, THEREFORE**, in consideration of these premises and the mutual covenants and agreements herein contained, the parties agree as follows:

### ARTICLE I DEFINITIONS

1.1 The following terms shall have the following meanings for all purposes of this Agreement:

"**Aircraft**" means (i) the McDonnell Douglas MD530F helicopter bearing Manufacturer's Serial Number 0146FF and U.S. Registration Number N532EZ (the "**Airframe**"), together with one (1) installed Rolls-Royce model 250-C30 engine, bearing manufacturer's serial number CAE-900196 (the "**Engine**"), (ii) all related instruments, avionics appliances, appurtenances, accessories, furnishings, components and parts appurtenant thereto, as described in Exhibit A, or other equipment of whatever nature incorporated or installed in or attached to the Airframe or Engine, (iii) all Ancillary Items and (iv) all Aircraft Documents. The Engine shall be deemed part of the "Aircraft" whether or not from time to time attached to the Airframe or removed from the Airframe.

"**Aircraft Documents**" means all documents and records relating to or required to be maintained by the FAA with respect to the Aircraft, all Airframe, Engine and accessory logbooks, manuals, flight records, weight and balance manuals, tags, technical records, traceability records, task cards, information, overhaul records, maintenance records, maintenance contracts, computerized maintenance programs, airframe and aircraft component warranties, engine warranties, avionics warranties, wiring diagrams, drawings, data, completion manuals, equipment manuals relating to but not limited to avionics and any and all other records related to the Aircraft only to the extent the above are in Seller's possession and control.



**"Aircraft Specification"** means the specifications of the Aircraft as listed on Exhibit A attached hereto.

**"Balance of the Purchase Price"** means the amount of One Million Two Hundred Thousand United States Dollars (US\$1,200,000.00); *i.e.*, the Purchase Price *minus* the Deposit.

**"Business Day"** means any day of the year in which banks are not authorized or required to close in the State of New York.

**"Cape Town Treaty"** means collectively the Convention on International Interests in Mobile Equipment, the Protocol to the Convention on International Interests in Mobile Equipment on Matters Specific to Aircraft Equipment and, the Regulations and Procedures for the International Registry, together with all other rules, amendments, supplements, and revisions thereto.

**"Closing"** means the consummation of the purchase and sale transaction contemplated by this Agreement.

**"Closing Date"** means the mutually agreed Business Day on which the Closing occurs, which is anticipated to be on or about October 30, 2020.

**"Delivery Condition"** shall have the meaning given such term in Exhibit B attached hereto and incorporated herein.

**"Delivery Location"** means Linden Municipal Airport located at 1101 West Edgar Road Linden, New Jersey 07036, USA or such other location within the forty-eight (48) contiguous United States designated by Purchaser and reasonably acceptable to Seller where the sale and delivery may occur without payment of sales tax.

**"Delivery Receipt"** means an Aircraft Delivery Receipt in the form of Exhibit C attached hereto.

**"Deposit"** means the deposit in the amount of One Hundred Thousand United States Dollars (US\$100,000.00).

**"Dollar", "dollar", "US\$", "\$"** means the lawful currency of the United States of America from time to time.

**"Escrow Agent"** means Insured Aircraft Title Service, Inc.

**"Escrow Fee"** means all costs, fees and expenses owed to the Escrow Agent for acting as Escrow Agent which, shall be Two Thousand Six Hundred United States Dollars (US\$2,600.00), payable in equal parts by Purchaser and Seller.

**"FAA"** means the Federal Aviation Administration or any successor thereto.



**"FAA Bill of Sale"** means an original FAA Aeronautical Center Form 8050-2 Aircraft Bill of Sale in a form recordable by the FAA Civil Aviation Registry.

**"FAA Civil Aviation Registry"** means the FAA Civil Aviation registry, Aircraft Registration Branch, AFS-750, Registry Building Room 118, 6425 South Denning, Oklahoma City, Oklahoma 73169-6937.

**"FAA Aircraft Registration Application"** means an original FAA Aeronautical Center Form 8050-1 Aircraft Registration Application in a form recordable by the FAA Civil Aviation Registry.

**"Inspection"** means the pre-purchase inspection of the Aircraft, which may include a log book and records review, a visual review of the Aircraft, a video borescope of the main gear box, a main rotor drive shaft inspection, a visual review of the Aircraft, and review of the Aircraft Documents, conducted by Purchaser and observed by Seller or its representative which shall take place at the Delivery Location in order to determine that the Aircraft is in the Delivery Condition.

**"International Registry"** means the International Registry of Mobile Assets established pursuant to the Cape Town Treaty.

**"Lien"** means any lien, mortgage, security interest, lease or other demand, charge or encumbrance or claim or right of others, including, without limitation, rights of others under any engine or parts interchange, loan, lease, or pooling agreement, and any air navigation (e.g., FAA), or other similar over flight charges, and any domestic or foreign, taxes, imposts or assessments, relating to the period prior to the Closing Date and not created by or through Purchaser.

**"Purchase Price"** means the amount of One Million Three Hundred Thousand United States Dollars (US\$1,300,000.00).

**"Purchaser Tax Indemnatee"** has the meaning given to such term in Section 7.2.

**"Seller's Broker"** means Asian Sky Group Limited in its capacity as Seller's broker and agent for purposes of the purchase and sale transaction contemplated by this Agreement.

**"Seller Tax Indemnatee"** has the meaning given to such term in Section 7.1.

**"Taxes"** has the meaning given to such term in Section 7.1.

**"Technical Acceptance/Rejection Letter"** means the Technical Acceptance Letter in the form of Exhibit D attached hereto.

**"Total Loss"** means with respect to the Aircraft (including for the purposes of this definition the Airframe) or an Engine relating thereto means the total loss or the loss of the use thereof due to theft, disappearance, destruction or the requisition or taking of use of the Aircraft or any substantial part thereof by any governmental entity, or the divestiture of title of the Aircraft or any such part thereof by any governmental entity;



and/or any damage to the Aircraft or any part thereof to any extent which, in the opinion of the insurers with which the Aircraft is insured, renders repair impractical or uneconomic; and/or any other event which is treated by the insurers with which the Aircraft is insured, or by Seller or any governmental entity having jurisdiction thereof, as a total loss of the Aircraft.

**"United States"** means the United States of America.

**"Warranty Bill of Sale"** means an original Warranty Bill of Sale for the Aircraft in the form of Exhibit E attached hereto.

## ARTICLE II AGREEMENT TO PURCHASE AND SELL

- 2.1 **Agreement.** For and in consideration of the Purchase Price, on the Closing Date, Seller shall sell and deliver the Aircraft to Purchaser, and Purchaser shall purchase and accept delivery of the Aircraft from Seller, on and subject to the terms and conditions set forth herein.
- 2.2 **Deposit.** Prior to Purchaser's and Seller's execution of this Agreement, Purchaser has delivered to Escrow Agent the Deposit. The Deposit shall be applied towards the Purchase Price at the Closing. The Deposit shall be refundable to Purchaser upon demand until such time as Purchaser accepts the Aircraft pursuant to Section 3.2.2, and thereafter Purchaser's Deposit shall be non-refundable.

## ARTICLE III DELIVERY CONDITION AND INSPECTION

- 3.1 **Delivery Condition.** It shall be a condition to Purchaser's obligation to consummate the transaction contemplated herein that the Aircraft shall be in Delivery Condition on the Closing Date at the Delivery Location and Seller covenants and agrees to deliver the Aircraft to Purchaser at the time of the Closing in the required Delivery Condition.
- 3.2 **Inspection/Aircraft Acceptance.**
  - 3.2.1 Within two (2) Business Days after execution of this Agreement, Purchaser shall deliver to Seller, with a copy to the Escrow Agent, a completed Technical Acceptance Letter in which Purchaser, in its sole and absolute discretion, either (i) accepts the technical condition of the Aircraft or (ii) rejects the Aircraft, in each case, with the applicable line marked to show Purchaser's acceptance or rejection of the Aircraft. If Purchaser does not deliver the Technical Acceptance Letter to Seller on or before the second (2<sup>nd</sup>) Business Day after completion of the Inspection, Purchaser shall be deemed to have accepted the Aircraft. If the Aircraft is rejected, the Deposit shall immediately be refunded to Purchaser, less any amounts necessary to reimburse Seller for any unpaid costs of Purchaser related to the Inspection, and this Agreement shall terminate and be of no further force or effect. If the Aircraft is accepted, the Deposit shall be non-refundable to Purchaser, except as explicitly set forth in Section 8.1.2 and Section 8.2.
  - 3.2.2 Purchaser shall be solely responsible for all expenses related to the Inspection.

## ARTICLE IV CLOSING PROCEDURES

### 4.1 Pre-Closing Obligations.

4.1.1 Within one (1) Business Day following the execution of this Agreement, Escrow Agent shall prepare and deliver to Purchaser and Seller title reports for the Aircraft and its Engine, which reports shall include relevant information from both the FAA Civil Aviation Registry and the International Registry.

4.1.2 Prior to the Closing, Seller shall deliver to the Escrow Agent:

4.1.2.1 an undated, but otherwise fully executed, FAA Bill of Sale; and

4.1.2.2 an undated, but otherwise fully executed, Warranty Bill of Sale.

4.1.3 Prior to the Closing, Purchaser shall deliver to the Escrow Agent:

4.1.3.1 the Deposit as required pursuant to Section 2.2 hereof;

4.1.3.2 the Balance of the Purchase Price;

4.1.3.3 its one-half (½) share of the Escrow Fee;

4.1.3.4 a fully executed FAA Aircraft Registration Application (other than the pink slip copy which should be positioned on the Aircraft);

4.1.3.5 the Technical Acceptance Letter accepting the Aircraft as required pursuant to Section 3.2.2 hereof; and

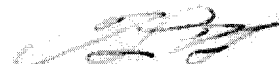
4.1.3.6 the signed and undated Delivery Receipt.

4.1.4 Prior to the Closing, Purchaser shall deliver to the Seller:

4.1.4.1 the Technical Acceptance Letter accepting the Aircraft as required pursuant to Section 3.2.2 hereof.

THE PRE-POSITIONING OF ANY DOCUMENT OR THE DEPOSIT OR ANY PORTION OF THE PURCHASE PRICE WITH THE ESCROW AGENT IS FOR THE CONVENIENCE OF THE PARTIES ONLY SO THAT THEY MAY BE RELEASED AT THE ORAL OR WRITTEN DIRECTION OF THE DEPOSITING PARTIES FOLLOWING SATISFACTION OF ANY CONDITIONS CONTAINED HEREIN, AND SHALL NOT BE CONSTRUED AS OR IMPLY ACCEPTANCE OF THE AIRCRAFT OR CONVEYANCE OF TITLE THERETO, WHICH MAY ONLY OCCUR AS SPECIFICALLY PROVIDED IN THIS AGREEMENT.

4.2 **Conditions Precedent to Seller's Obligations.** Seller's obligation to sell and deliver the Aircraft to Purchaser on the Closing Date shall be subject to the following conditions precedent:



- 4.2.1 Purchaser shall not be in breach or default of any of Purchaser's obligations arising under this Agreement that must be complied with prior to or at Closing;
  - 4.2.2 All of Purchaser's representations set forth in Section 5.2 shall be true and accurate as of the time of Closing;
  - 4.2.3 Purchaser shall have delivered, or cause to be delivered, each of the items identified in Section 4.1.3 and Section 4.1.4 required to be delivered by it;
  - 4.2.4 Purchaser's obligations set forth in Section 8.16 shall have been complied with, including, but not limited to, providing an Insurance Certificate relating to the Aircraft and the insurances described therein;
  - 4.2.5 Purchaser shall have performed and complied with all of the terms, conditions and covenants required by this Agreement to be performed or complied with by it prior to or at the Closing; and
  - 4.2.6 Seller shall have received an order of approval from the New Jersey Board of Public Utilities that is acceptable to Seller and all appeal periods have expired or been waived in writing by Seller.
- 4.3 **Conditions Precedent to Purchaser's Obligations.** Purchaser's obligation to purchase and accept delivery of the Aircraft from Seller on the Closing Date shall be subject to the following conditions precedent:
- 4.3.1 Seller shall not be in breach or default of any of Seller's obligations arising under this Agreement that must be complied with prior to or at Closing;
  - 4.3.2 All of Seller's representations set forth in Section 5.1 shall be true and accurate as of the time of Closing;
  - 4.3.3 Seller shall have delivered, or cause to be delivered, each of the items identified in Section 4.1.2 required to be delivered by it;
  - 4.3.4 At the time of Closing, the Aircraft shall be in the required Delivery Condition; and
  - 4.3.5 Seller shall have performed and complied with all of the terms, conditions and covenants required by this Agreement to be performed or complied with by it prior to or at the Closing.
- 4.4 **Closing.** The Closing Date shall occur as soon as practicable, subject to the conditions set forth in Section 4.2 and Section 4.3. At the time of the Closing, the parties shall perform the following closing deliveries in the order presented, all of which collectively shall constitute the Closing:
- 4.4.1 Seller shall confirm to Purchaser that the Conditions Precedent to Seller's Obligations as set forth in Section 4.2 have been satisfied or waived;

- 4.4.2 Purchaser shall confirm to Seller that the Conditions Precedent to Purchaser's Obligations as set forth in Section 4.3 have been satisfied or waived;
- 4.4.3 Seller shall deliver or cause to be delivered, the Aircraft to Purchaser at the Delivery Location;
- 4.4.4 Seller and Purchaser shall conduct a conference call with Escrow Agent during the normal business hours of the FAA Civil Aviation Registry during which:
  - 4.4.4.1 Escrow Agent shall confirm that it has checked the FAA Civil Aviation Registry and the International Registry and confirmed the Aircraft is free of Liens and International Interests with respect to the Aircraft, Airframe or Engines, or if there is, Escrow Agent has been irrevocably authorized to discharge the same contemporaneously with the Closing;
  - 4.4.4.2 Escrow Agent shall confirm that it is in receipt of the Purchase Price and Purchaser's one-half (½) share of the Escrow Fee;
  - 4.4.4.3 Purchaser shall, concurrently with Seller's instruction in Section 4.4.4.4, instruct Escrow Agent to release the Purchase Price to Seller (minus its one-half (½) share of the Escrow Fee); and
  - 4.4.4.4 Seller shall, concurrently with Purchaser's instruction in Section 4.4.4.3, instruct Escrow Agent to date and file the FAA Bill of Sale in the FAA Civil Aviation Registry, and to deliver the Warranty Bill of Sale to Purchaser, which instruction by Seller is subject only to receipt by Seller from Escrow Agent of the Purchase Price; and
- 4.4.5 Purchaser shall accept delivery of the Aircraft from Seller at the Delivery Location, instruct Escrow Agent to file Purchaser's FAA Aircraft Registration Application and shall instruct Escrow Agent to simultaneously deliver to Seller the fully executed and completed Delivery Receipt setting forth the time of Closing as the time of the recording of the FAA Bill of Sale with the FAA Civil Aviation Registry.

## ARTICLE V REPRESENTATIONS AND WARRANTIES

- 5.1 **Seller's Representations and Warranties.** Seller hereby represents and warrants that, as of the date hereof, and as of the Closing:
  - 5.1.1 Seller is a corporation duly formed, validly existing, and in good standing under the laws of the state of New Jersey, having the capacity to sue and be sued in its own name, having full power, legal right and authority to carry on its business as currently conducted, and to execute, deliver and perform the provisions of this Agreement;



- 5.1.2 The execution, delivery, and performance by Seller of this Agreement, and the sale of the Aircraft, has been duly authorized by all necessary action on behalf of Seller and do not conflict with or result in any breach of any of the terms or constitute a default under any document, instrument, or agreement to which Seller is a party;
  - 5.1.3 The person executing this Agreement on behalf of Seller has full power and authority to do so;
  - 5.1.4 This Agreement constitutes the legal, valid and binding obligations of Seller and is enforceable against Seller;
  - 5.1.5 At the time of the Closing, Seller shall own and shall convey to Purchaser full legal title to the Aircraft, free and clear of all Liens; and
  - 5.1.6 Seller has not entered into any agreement (other than this Agreement) pursuant to which Seller is or may be contractually or legally obligated to sell, lease, assign or otherwise transfer the Aircraft or any interest in the Aircraft to any person other than Purchaser.
- 5.2 **Purchaser's Representations and Warranties.** Purchaser hereby represents and warrants that, as of the date hereof, and as of the Closing:
- 5.2.1 Purchaser is an individual United States citizen, having the capacity to sue and be sued in his own name, having full power, legal right and authority to execute, deliver and perform the provisions of this Agreement;
  - 5.2.2 The execution, delivery, and performance by Purchaser of this Agreement, and the acquisition of the Aircraft do not conflict with or result in any breach of any of the terms or constitute a default under any document, instrument, or agreement to which Purchaser is a party; and
  - 5.2.3 This Agreement constitutes the legal, valid and binding obligations of Purchaser and is enforceable against Purchaser in accordance with its terms.

## ARTICLE VI DISCLAIMER

- 6.1 **DISCLAIMER AND LIMITATION OF LIABILITY.** PURCHASER ACKNOWLEDGES THAT, EXCEPT AS EXPRESSLY SET FORTH IN THIS AGREEMENT, THE AIRCRAFT IS BEING SOLD AND DELIVERED TO PURCHASER IN "AS IS, WHERE IS, WITH ALL FAULTS" CONDITION. OTHER THAN THE WARRANTY OF TITLE SET FORTH IN SECTION 5.1.5 OF THIS AGREEMENT AND IN THE WARRANTY BILL OF SALE, SELLER DOES NOT MAKE, GIVE, OR EXTEND ANY WARRANTIES OR REPRESENTATIONS OF ANY KIND OR NATURE WHATSOEVER, EXPRESS OR IMPLIED, WHETHER ARISING IN LAW, IN EQUITY, IN CONTRACT, OR IN TORT, AND INCLUDING,

WITHOUT LIMITATION, ANY IMPLIED WARRANTY OF MERCHANTABILITY, AIRWORTHINESS, DESIGN, CONDITION, OR FITNESS FOR A PARTICULAR USE.

- 6.2 UNDER NO CIRCUMSTANCES SHALL EITHER PARTY BE LIABLE FOR LOST PROFITS, LOSS OF BUSINESS, LOSS OF USE OR ANY OTHER INCIDENTAL, INDIRECT, CONSEQUENTIAL OR SPECIAL DAMAGES ARISING OUT OF OR RELATED TO THE CONSUMMATION OF (OR FAILURE TO CONSUMMATE) THE TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT OR ANY DELAY IN CONSUMMATION OF THE TRANSACTIONS CONTEMPLATED HEREBY, AND EACH PARTY HEREBY WAIVES ANY RIGHT IT MAY HAVE TO SUCH DAMAGES.

#### ARTICLE VII TAXES

- 7.1 **Purchaser Taxes.** Purchaser shall bear, and shall defend, indemnify and hold Seller and its subsidiaries, affiliates, officers, directors, members, managers, employees and agents (each, individually, a "**Seller Tax Indemnatee**") harmless from and against any and all sales, use, excise and other similar taxes, and any taxes, fees, duties, interest, penalties, charges, invoices, claims and statements relating thereto ("**Taxes**"), which may be imposed by any U.S. federal, provincial, or other governmental authority as a result of the sale, delivery or transfer of the Aircraft to Purchaser, or the ownership, possession, use or storage of the Aircraft by Purchaser, except for any taxes imposed on or measured by such Seller Tax Indemnatee's gross income or net receipts or imposed, assessed or assessable prior to the Closing, or directly attributable to a period prior to the Closing. In the event a Seller Tax Indemnatee receives notice of any audit, claim, assessment or proposed assessment of any tax for which Purchaser may be responsible under this Section 7.1, such Seller Tax Indemnatee shall within ten (10) Business Days notify Purchaser thereof, and such Seller Tax Indemnatee and Purchaser shall reasonably cooperate to manage and/or defend such audit, claim, assessment or proposed assessment. Failure by a Seller Tax Indemnatee to so notify Purchaser shall not relieve Purchaser of its obligations to indemnify hereunder.
- 7.2 **Seller's Taxes.** Seller shall bear, and shall defend, indemnify and hold Purchaser and its subsidiaries, affiliates, officers, directors, members, managers, employees and agents (each, individually, a "**Purchaser Tax Indemnatee**") harmless from and against any and all taxes on, or measured by, the income or gains of Seller in connection with the sale of the Aircraft, and any and all property taxes, fuel taxes, excise or similar taxes and any other taxes, fees, or charges assessed which may be imposed by any U.S. federal, provincial, or other governmental authority as a result of the ownership, possession, use or storage of the Aircraft by Seller prior to the Closing, or directly attributable to a period prior to the Closing. In the event a Purchaser Tax Indemnatee receives notice of any audit, claim, assessment or proposed assessment of any tax for which Seller may be responsible under this Section 7.2, such Purchaser Tax Indemnatee shall within ten (10) Business Days notify Seller thereof, and such Purchaser Tax Indemnatee and Seller shall reasonably cooperate to manage and/or defend such audit, claim, assessment or proposed

assessment. Failure by a Purchaser Tax Indemnatee to so notify Seller shall not relieve Seller of its obligations to indemnify hereunder.

- 7.3 **No Set-Off, etc.** (a) All payments under or in connection with this Agreement (including, without limitation, the Purchase Price) will be made in United States Dollars in immediately available funds without set-off or counterclaim, free and clear of and without deduction for or on account of any Taxes.

(b) If Purchaser is compelled by law to make payment subject to any Tax imposed by any United States federal, provincial, or other governmental authority for which Purchaser is required to indemnify the receiving party and as a consequence the receiving party does not actually receive for its own benefit on the due date a net amount equal to the full amount provided for under this Agreement, Purchaser will pay all necessary additional amounts to ensure receipt by the other party of the full amount so provided for.

(c) The amount which Purchaser will be required to pay with respect to Section 7.1 will be an amount sufficient to restore such indemnified party to the same position such indemnified party would have been in had such liability for taxes subject to indemnity pursuant to Section 7.1 not been incurred.

(d) The amount which Seller will be required to pay with respect to Section 7.2 will be an amount sufficient to restore such indemnified party to the same position such indemnified party would have been in had such liability for taxes subject to indemnity pursuant to Section 7.2 not been incurred.

- 7.4 **Survival.** Notwithstanding any other provision of this Agreement, the obligations of the parties under this Section 7 will survive the consummation, completion, or termination (or combination of any thereof) of this Agreement.

## ARTICLE VIII MISCELLANEOUS

### 8.1 **Risk of Loss, Damage or Destruction of Aircraft.**

8.1.1 **Risk of Loss.** Seller shall bear all risk of loss, damage or destruction of the Aircraft occurring prior to the Closing. Title to and risk of loss, injury, destruction or damage to the Aircraft, shall transfer from Seller to Purchaser upon completion of the Closing, which shall be deemed the time the FAA Bill of Sale is filed with the FAA Civil Aviation Registry.

8.1.2 **Destruction or Damage.** Notwithstanding any contrary provision of this Agreement, if at any time after the date hereof and prior to the Closing, the Aircraft is destroyed or is damaged in such a manner that constitutes a Total Loss, either party may terminate this Agreement upon written notice to the other and the Deposit shall immediately be refunded to Purchaser *minus* one half (½) of the Escrow Fee and, to the extent applicable, any and all costs related to the



Inspection, and this Agreement shall terminate and be of no further force or effect. In the event that the Deposit is refunded to the Purchaser in accordance with this section, the Deposit shall be refunded without interest.

- 8.2 **Amendments.** The provisions of this Agreement may not be waived, altered, modified, amended, supplemented or terminated in any manner whatsoever except by written instrument signed by all parties hereto.
- 8.3 **Severability.** Any provision of this Agreement that may be determined by competent authority to be prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.
- 8.4 **Assignment.** This Agreement may not be assigned by any party without the prior written consent of the other party, which shall not be unreasonably denied, conditioned or delayed. Any attempted assignment of this Agreement prohibited by this Section shall be deemed void. The assignor, along with the assignee, shall remain jointly and severally liable for any all obligations and liabilities being assigned to the assignee.
- 8.5 **Successor and Assigns.** This Agreement shall inure to the benefit of and be binding upon each of the parties hereto and their respective successors and permitted assigns.
- 8.6 **Headings and References.** The division of this Agreement into sections, and the insertion of headings, are for convenience of reference only and shall not affect the construction or interpretation of this Agreement.
- 8.7 **Counterparts.** This Agreement may be fully executed in two or more counterparts by each of the parties hereto, such counterparts together constituting but one and the same instrument. Such counterparts may be exchanged via facsimile or other electronic transmission.
- 8.8 **Notices.** All communications, declarations, demands, consents, directions, approvals, instructions, requests and notices required or permitted by this Agreement shall be in writing and shall be deemed to have been duly given or made when delivered personally or transmitted electronically by facsimile, receipt acknowledged, or transmitted by electronic mail or in the case of documented overnight delivery service or registered or certified mail, return receipt requested, delivery charge or postage prepaid, on the date shown on the receipt therefor if before 5:00 PM at the recipient's location, and on the next Business Day if after 5:00 PM at the recipient's location, in each case at the address set forth below:

If to Seller:                      Public Service Electric & Gas Company  
                                              80 Park Plaza, T-11  
                                              Newark, New Jersey 07101  
                                              Attn: Nicholas Tonzetich  
                                              Tel: (908) 412-3424





Email: nicholas.tonzetich@pseg.com

with a copy to: Public Service Electric & Gas Company  
80 Park Plaza, T-5  
Newark, New Jersey 07101  
Attn: Michael Palumbo  
Tel: (973) 430-5395  
Email: michael.palumbo@pseg.com

and a copy to: McGuireWoods LLP  
1251 Avenue of the Americas  
New York, New York 10020  
Attn: Deepak Reddy  
Tel: (212) 548-2103  
Email: dreddy@mcguirewoods.com

If to Purchaser: Tim L. Harding  
15696 Harding Road  
Bryan, Texas 77807  
Attn: Tim L. Harding  
Tel: (979) 218 3111  
Email: tharding@hardingdrilling.com

If to Escrow Agent: Insured Aircraft Title Service, Inc.  
21 E Main Street, Suite 100  
Oklahoma City, Oklahoma 73104  
Attn: Denise Baustert  
Tel: (405) 681 6663  
Email: deniseb@insuredaircraft.com

If requested, Seller shall provide to Purchaser a copy of all communications, declarations, demands, consents, directions, approvals, instructions, requests and notices sent by Seller to Escrow Agent, and if requested, Purchaser shall provide to Seller a copy of all communications, declarations, demands, consents, directions, approvals, instructions, requests and notices sent by Purchaser to Escrow Agent.

- 8.9 **Non-Waiver.** Any failure at any time of either party to enforce any provision of this Agreement shall not constitute a waiver of such provision or prejudice the right of such party to enforce such provision at any subsequent time.
- 8.10 **Entire Agreement.** The parties agree that the terms and conditions of this Agreement, including all Exhibits, constitute the entire agreement between the parties with respect to the subject matter hereof. This Agreement supersedes all prior agreements between the parties, express or implied with respect to the subject matter hereof.
- 8.11 **Transaction Costs and Expenses.** Except as otherwise set forth herein, each party to this Agreement shall bear its own transaction costs and expenses, including, without

limitation, any brokers' commissions and/or attorneys' fees. Without limiting the generality of the foregoing, (i) all International Registry charges for Purchaser to become a Transacting User Entity or Transacting User, and to register Purchaser's international interest in the Aircraft, shall be paid by Purchaser; and (ii) all International Registry charges for Seller to become a Transacting User Entity or Transacting User, and all charges in connection with the removal of any encumbrance on title, including without limitation International Registry charges to discharge any international interest in the Aircraft that Seller may have, shall be paid by Seller. Any actions or costs associated with the registration of the Aircraft, import or export of the Aircraft into any jurisdiction shall be the sole responsibility of Purchaser and shall commence after the Closing Date. Seller shall be solely responsible for the fees of Seller's Broker.

- 8.12 **Agreement Negotiated.** The parties to this Agreement are sophisticated and have been represented or had the opportunity to be represented by an attorney in connection with the negotiation and performance of this Agreement. The parties agree that no presumptions relating to the interpretation of contracts against the drafter of any particular clause should or may be applied in this case and, therefore, waive their effects.
- 8.13 **Time is of the Essence.** Time shall be of the essence for all events contemplated hereunder.
- 8.14 **Further Assurances.** Each party covenants and agrees to take, or cause to be taken, such actions, and will execute and deliver, or cause to be executed and delivered, such additional documents and instruments, and will do, or cause to be done, all such actions as are reasonably necessary or appropriate, in conjunction with, and after the Closing, to effectuate the purposes and intent of this Agreement, and to consummate the transactions contemplated hereby.
- 8.15 **Governing Law; Jurisdiction.** THIS AGREEMENT SHALL IN ALL RESPECTS BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK, UNITED STATES OF AMERICA, WITHOUT REFERENCE TO PRINCIPLES OF CONFLICTS OF LAW OTHER THAN SECTIONS 5-1401 AND 5-1402 OF THE NEW YORK GENERAL OBLIGATIONS LAW. EACH PARTY HERETO HEREBY IRREVOCABLY AGREES, ACCEPTS AND SUBMITS TO, FOR ITSELF AND IN RESPECT OF ANY OF ITS PROPERTY, GENERALLY AND UNCONDITIONALLY, THE EXCLUSIVE JURISDICTION OF THE COURTS OF THE STATE OF NEW YORK AND IN THE CITY AND COUNTY OF NEW YORK AND OF THE UNITED STATES FOR THE SOUTHERN DISTRICT OF NEW YORK, IN CONNECTION WITH ANY LEGAL ACTION, SUIT OR PROCEEDING WITH RESPECT TO ANY MATTER RELATING TO OR ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT AND FULLY WAIVES ANY OBJECTION TO THE VENUE OF SUCH COURTS. FURTHERMORE, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, EACH PARTY HEREBY WAIVES, AND AGREES NOT TO ASSERT, BY WAY OF MOTION, AS A DEFENSE, OR OTHERWISE, IN ANY SUCH SUIT ACTION OR PROCEEDING ANY CLAIM THAT IS NOT PERSONALLY SUBJECT TO THE JURISDICTION OF THE ABOVE-NAMED COURTS, THAT THE SUIT, ACTION OR PROCEEDING IS

BROUGHT IN AN INCONVENIENT FORUM, OR THAT THE VENUE OF THE SUIT, ACTION OR PROCEEDING IS IMPROPER.

**8.16 Post-Closing Insurance.**

8.16.1 Effective upon the Closing Date, and for a period of two (2) years thereafter, Purchaser shall at all times while the Aircraft is in service or operational, comply or cause any applicable end-user to comply with the insurance obligations in this Section 8.16. If Purchaser transfers the Aircraft, the Airframe or any Engine prior to the expiration of the two (2) year period immediately following the Closing Date, Purchaser shall include a section substantially similar to this Section 8.16 in such agreement of transfer naming Seller and its indemnitees as additional insureds for the remainder of such two (2) year period.

8.16.2 During the period described in Section 8.16.1 hereof, Purchaser will furnish, or cause to be furnished, to Seller an insurance certificate relating to the Aircraft and the insurance described above.

8.16.3 Such liability insurance shall be endorsed to name Seller as an additional insured. To the extent that the insurance requirement listed in this Section 8.16.3 increases Purchaser's premium for insurance coverage, Seller shall pay Purchaser for the excess cost of said coverage. Purchaser's obligation to maintain insurance in accordance with Section 8.16.3 is contingent on Seller's prior payment of the additional premium amount (if any).

**8.17 Defaults and Remedies.**

8.17.1 **Events of Default.** If any one or more of the following events of default (each an "Event of Default") shall occur, then this Agreement may, at the option of the Party not in default, be terminated:

8.17.1.1 If Purchaser shall default in the due and punctual payment of any sum due to Seller, which default shall continue for three (3) Business Days after receipt of written notice of default by Purchaser;

8.17.1.2 If either party shall default in the performance of any of the provisions contained in this Agreement, which default shall continue for ten (10) days after receipt of written notice of default by the defaulting party;

8.17.1.3 If either party shall file a voluntary petition in bankruptcy, or shall be adjudicated as bankrupt, or insolvent, or shall file any petition or answer seeking any reorganization, composition, readjustment, liquidation or similar relief for itself under any present or future statutes, law or regulation, or shall seek or consent to or acquiesce in, the appointment of any trustee, or shall make any general

assignment for the benefit of creditors, or shall admit in writing its inability to pay its debts generally as they become due; or

8.17.1.4 If a petition shall be filed against either party seeking any reorganization, composition, readjustment, liquidation or similar relief under any present or future statute, law or regulation, and shall remain undismissed or unstayed for an aggregate of sixty (60) days (whether or not consecutive), or if any trustee, receiver or liquidator of either party is appointed, which appointment shall remain unvacated, or unstayed for an aggregate of sixty (60) days (whether or not consecutive).

8.17.2 **Seller's Remedies.** Upon the occurrence of an Event of Default by Purchaser, and provided Seller is not then in material breach or default of this Agreement and Purchaser shall have accepted the Aircraft in accordance with Section 3.2.1, Seller shall have the option to terminate this Agreement by written notice to Purchaser and Escrow Agent. If Seller elects to terminate this Agreement under this Section 8.17.2, Escrow Agent shall pay the Deposit to Seller as liquidated damages, and thereafter this Agreement shall be of no further force or effect. Seller acknowledges and represents that the liquidated damages amount provided for in this Section is a reasonable estimate of the damages that would be incurred by Seller in the event Purchaser defaults on Purchaser's obligations under this Agreement. Seller's right to retain the Deposit shall be the sole remedy available to Seller in the event Purchaser defaults on Purchaser's obligations under this Agreement, and Seller waives any other remedies that may be available to Seller at law or in equity.

8.17.3 **Purchaser's Remedies.** Upon the occurrence of an Event of Default by Seller, and provided Purchaser is not then in material breach or default of this Agreement, Purchaser shall have the option to terminate this Agreement by written notice to Seller and Escrow Agent. If Purchaser elects to terminate this Agreement under this Section 8.17.3, Escrow Agent shall immediately refund the Deposit to Purchaser, and thereafter this Agreement shall be of no further force or effect. Purchaser's right to return of the Deposit shall be the sole remedy available to Purchaser in the event Seller defaults on Seller's obligations under this Agreement, and Purchaser waives any other remedies that may be available to Purchaser at law or in equity.

8.18 **Confidentiality.** The terms and conditions of this Agreement, and all writings, discussions, and negotiations in connection with the transaction contemplated by this Agreement (including, without limitation, the fact that discussions and negotiations have been conducted by the parties), shall remain strictly confidential and shall not be disclosed by either party, without the prior written consent of the other party, except that each party shall be entitled to disclose the terms and conditions of this Agreement (i) as may be required by law or legal process; (ii) to such party's attorneys, accountants, consultants, and other advisors performing services for such party with respect to or affected by the transaction contemplated by this Agreement; (iii) to each party's

employees and corporate affiliates, (iv) the New Jersey Board of Public Utilities or other governmental or regulatory bodies which may have an interest in the transactions contemplated by this Agreement and (v) as may be required to permit such party to pursue all available remedies for breach of this Agreement by the other party.

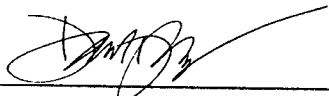
**[SIGNATURES APPEAR ON FOLLOWING PAGE]**

A handwritten signature in black ink, appearing to be "C. J. [unclear]", located in the lower right quadrant of the page.

**IN WITNESS WHEREOF**, the undersigned parties have caused this Helicopter Sale and Purchase Agreement to be executed, delivered and effective as of the date first above written.

**SELLER:**

**PUBLIC SERVICE ELECTRIC & GAS COMPANY**

By: 

Name: David M. Daly

Title: President

**PURCHASER:**

**TIM L. HARDING**

By: 

Name: TIM L. HARDING

Title: PURCHASER

### CONSENT AND JOINDER

Purchaser and Seller hereby appoint Escrow Agent as document holder and stakeholder for the sale and purchase of the Aircraft and Escrow Agent accepts such appointment for and in consideration of the Escrow Fee. The parties acknowledge that Escrow Agent is acting as a document holder and stakeholder only, its duties being purely ministerial, at their request and for their convenience, that Escrow Agent shall not be deemed to be the agent or trustee for either of the parties, and that Escrow Agent shall not be liable to either of the parties for any act or omission unless it involves willful misconduct or negligence on its part. Purchaser and Seller shall each pay one-half (1/2) of the Escrow Fee.

The undersigned does hereby consent to and join in the foregoing Agreement hereby agreeing to act as Escrow Agent in accordance with the provisions of the Agreement applicable to Escrow Agent.

Escrow Agent's agreement to serve as the escrow agent is conditioned on the following limitation. Notwithstanding the provisions contained in Section 8.15 of this Agreement (Governing Law; Jurisdiction) or any provision contained in any other agreement between Purchaser and Seller, the competent courts of the State of Oklahoma or the United States District Court for the Western District of Oklahoma shall have exclusive jurisdiction to hear all disputes against Escrow Agent and no other courts shall have any jurisdiction whatsoever in respect of such disputes against Escrow Agent. Should a dispute arise between Purchaser and Seller relating to this Agreement or any funds or other items which are in the possession of the Escrow Agent, Escrow Agent shall be entitled to interplead any funds or other items in its possession with the competent courts of the State of Oklahoma or the United States District Court for the Western District of Oklahoma. The foregoing shall not affect the governing law and jurisdiction provisions contained in Section 8.15 of this Agreement to the extent that any dispute is between only Purchaser and Seller and does not involve Escrow Agent in any manner.

#### ESCROW AGENT:

**INSURED AIRCRAFT TITLE SERVICE, INC.**

By: 

Name: Kirk Woford

Title: President

Signed, subject to IATS Terms & Conditions.

## **EXHIBIT A**

### **AIRCRAFT SPECIFICATION**

#### **AIRCRAFT**

McDonnell Douglas MD530F

Serial Number 0146FF

Registration Number N532EZ

Delivery Year 2006

Total Hours 2,339

#### **ENGINE**

Engine Model Rolls Royce 250-C30

Engine Serial Number CAE-900196

Total Hours 2,220

Total Cycles 2,349

#### **AVIONICS**

- ADS-B Out
- Airspeed Indicator
- Attitude Indicator L3 AIM-1200
- Altimeter
- Audio Selector Panel Garmin GMA-347
- Autopilot/AFCS
- Chronometer Astro Tech LC-2H
- VHF Bendix King KY-196A
- Compass
- ELT Artex 406
- Engine & System Indicator
- GPS/Nav/Com Garmin GNS-430W
- Intercom Garmin GMA-347
- IVSI Indicator
- Transponder Garmin GTX-330ES

#### **ADDITIONAL EQUIPMENT**

- Rapid removal Cabin Door Hinges
- FLIR Quick Mount



- Cargo Mirror
- LED Landing Light
- RH and LH Passenger Vertical Slide Windows
- Cargo Rack
- Upper & Lower Wire Strike
- Tyler Mount Rack
- Inlet Barrier Filter
- Cockpit & Cabin Rain Gutter Kit

## **EXHIBIT B**

### **DELIVERY CONDITION**

At the Closing, the Aircraft shall be delivered in full conformity and complying with all the items and conditions set forth below, collectively constituting the required “as is where is with all faults” “**Delivery Condition**”:

1. Free and clear of all Liens;
2. With an FAA Bill of Sale and a Warranty Bill of Sale transferring full legal title;
3. With all Aircraft Documents, complete and continuous, up to date, printed or published in English and in compliance with manufacturer requirements;
4. Substantially in the same condition as it was during the Inspection, with any normal or reasonable wear and tear excepted.
5. Other than that, the Aircraft will be sold “as is, where is” without any express or implied warranties other than the warranty of full legal title title.

Capitalized terms used herein and not otherwise defined herein shall have the meaning ascribed to such terms in the Agreement.

**EXHIBIT C****DELIVERY RECEIPT**

Pursuant to that certain Helicopter Sale and Purchase Agreement (the "**Agreement**") dated as of August 28, 2020, by and between PUBLIC SERVICE ELECTRIC & GAS COMPANY ("**Seller**") and TIM L. HARDING ("**Purchaser**"), the Purchaser hereby acknowledges acceptance of delivery of that certain (i) McDonnell Douglas MD530F helicopter bearing Manufacturer's Serial Number 0146FF and U.S. Registration Number N532EZ (the "**Airframe**"), together with one (1) installed Rolls-Royce model 250-C30 engine, bearing manufacturer's serial number CAE-900196 (the "**Engine**"), (ii) all related instruments, avionics appliances, appurtenances, accessories, furnishings, components and parts appurtenant thereto, or other equipment of whatever nature incorporated or installed in or attached to the Airframe or Engine and (iii) all Aircraft Documents (collectively, the "**Aircraft**"), from Seller, at [ ] o'clock (am / pm) Eastern Standard Time on the [ ] day of [ ] 2020, at Linden, New Jersey, USA. Purchaser hereby acknowledges that the Aircraft satisfies all of the requirements, terms and conditions of the Agreement.

By reason of the execution and delivery by Purchaser of this Delivery Receipt, it is conclusively presumed that (i) Purchaser has approved and accepted the Aircraft in "**AS IS, WHERE IS, WITH ALL FAULTS**" CONDITION WITHOUT RECOURSE OR WARRANTY OF ANY KIND, EXCEPT THE WARRANTY OF TITLE, AND, EXCEPT FOR THE WARRANTY OF TITLE PROVIDED IN SELLER'S WARRANTY BILL OF SALE, SELLER DOES NOT MAKE, GIVE, OR EXTEND ANY WARRANTIES OR REPRESENTATIONS OF ANY KIND OR NATURE WHATSOEVER, EXPRESS OR IMPLIED, WHETHER ARISING IN LAW, IN EQUITY, IN CONTRACT, OR IN TORT, AND INCLUDING, WITHOUT LIMITATION, ANY IMPLIED WARRANTY OF MERCHANTABILITY, AIRWORTHINESS, DESIGN, CONDITION, OR FITNESS FOR A PARTICULAR USE.

**PURCHASER:**

**TIM L. HARDING**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**EXHIBIT D**  
**TECHNICAL ACCEPTANCE LETTER**

Date: August 28, 2020

To: Public Service Electric & Gas Company  
80 Park Plaza, T-11  
Newark, New Jersey 07101  
Attn: Nicholas Tonzetich

**Re: Completion of Inspection**

Dear Nicholas:

Pursuant to that certain Helicopter Sale and Purchase Agreement (the “**Agreement**”) dated as of the August 28, 2020, by and between PUBLIC SERVICE ELECTRIC & GAS COMPANY (“**Seller**”) and TIM L. HARDING (“**Purchaser**”), pertaining to that certain (i) McDonnell Douglas MD530F helicopter bearing Manufacturer’s Serial Number 0146FF and U.S. Registration Number N532EZ (the “**Airframe**”), together with one (1) installed Rolls-Royce model 250-C30 engine, bearing manufacturer’s serial number CAE-900196 (the “**Engine**”), (ii) all related instruments, avionics appliances, appurtenances, accessories, furnishings, components and parts appurtenant thereto, or other equipment of whatever nature incorporated or installed in or attached to the Airframe or Engine, (iii) all Ancillary Items and (iv) all Aircraft Documents (collectively, the “**Aircraft**”), Purchaser by checking the following applicable box, hereby confirms that the Inspection has been completed and Purchaser, in its sole and absolute discretion, elects as follows:

CHECK ONE:

\_\_\_\_ **ACCEPTS** the technical condition of the Aircraft and acknowledges that (i) the Aircraft is in Delivery Condition and (ii) the Deposit shall immediately become non-refundable, except as explicitly set forth in the Agreement.

\_\_\_\_ **REJECTS** the technical condition of the Aircraft in accordance with Section 3.2.2 of the Agreement.

Capitalized terms used herein and not otherwise defined herein shall have the meaning ascribed to such terms in the Agreement.

Sincerely,

**PURCHASER:**

**TIM. L. HARDING**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**EXHIBIT E****WARRANTY BILL OF SALE****KNOW ALL PERSONS BY THESE PRESENTS:**

**THAT** PUBLIC SERVICE ELECTRIC & GAS COMPANY, a New Jersey corporation (the **"Seller"**), the lawful owner of the full legal title to the following tangible personal property:

(i) McDonnell Douglas MD530F helicopter bearing Manufacturer's Serial Number 0146FF and U.S. Registration Number N532EZ (the **"Airframe"**), together with one (1) installed Rolls-Royce model 250-C30 engine, bearing manufacturer's serial number CAE-900196 (the **"Engine"**), (ii) all related instruments, avionics, appliances, appurtenances, accessories, furnishings, components, parts or other equipment of whatever nature incorporated or installed or attached to the Airframe or Engines and (iii) all documents and records relating to or required to be maintained by the FAA with respect to the Aircraft, all Airframe, Engine and accessory logbooks, manuals, flight records, weight and balance manuals, tags, technical records, traceability records, task cards, information, overhaul records, maintenance records, maintenance contracts, computerized maintenance programs, airframe and aircraft component warranties, engine warranties, avionics warranties, wiring diagrams, drawings, data, completion manuals and any and all other records related to the Aircraft only to the extent the above are in Seller's possession and control (collectively, the **"Aircraft Documents"** and, together with the items listed in subsections (i) - (iii) above, the **"Aircraft"**).

**THAT**, for US\$10 and other good and valuable consideration, the receipt and adequacy of which is hereby acknowledged, Seller does as of the date provided below, grant, convey, transfer, deliver and set over all right, title and interest in and to the Aircraft and the Aircraft Documents unto TIM L. HARDING (**"Purchaser"**), and unto Purchaser's successors and assigns forever.

**THAT**, Seller hereby warrants to Purchaser, its successors and assigns, that there is hereby conveyed to Purchaser on the date hereof full legal title to the Aircraft free and clear of any and all mortgages, liens, claims, encumbrances and rights of others, and Seller shall warrant and defend such title forever against all claims and demands whatsoever.

**THAT**, Seller shall consent to the registration by Purchaser of an international interest in the Aircraft immediately upon any request to do so.

THE AIRCRAFT IS BEING SOLD AND DELIVERED TO PURCHASER IN **"AS IS, WHERE IS, WITH ALL FAULTS"** CONDITION WITHOUT RECOURSE OR WARRANTY OF ANY KIND, AND, EXCEPT FOR THE WARRANTY OF TITLE HEREIN, SELLER DOES NOT MAKE, GIVE, OR EXTEND ANY WARRANTIES OR REPRESENTATIONS OF ANY KIND OR NATURE WHATSOEVER, EXPRESS OR

IMPLIED, WHETHER ARISING IN LAW, IN EQUITY, IN CONTRACT, OR IN TORT, AND INCLUDING, WITHOUT LIMITATION, ANY IMPLIED WARRANTY OF MERCHANTABILITY, AIRWORTHINESS, DESIGN, CONDITION, OR FITNESS FOR A PARTICULAR USE.

THIS WARRANTY BILL OF SALE SHALL IN ALL RESPECTS BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK, UNITED STATES OF AMERICA, WITHOUT REFERENCE TO PRINCIPLES OF CONFLICTS OF LAW OTHER THAN SECTIONS 5-1401 AND 5-1402 OF THE NEW YORK GENERAL OBLIGATIONS LAW.

**IN WITNESS WHEREOF**, Seller has caused this instrument to be executed and delivered by its duly authorized signatory as of this \_\_\_\_\_ day of \_\_\_\_\_, 2020.

**SELLER:**

**PUBLIC SERVICE ELECTRIC & GAS COMPANY**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

# EXHIBIT B



## AIRCRAFT MARKETING AGREEMENT

This Aircraft Marketing Agreement (the "**Agreement**") is made this 13 day of May 2020, by and between:

**ASIAN SKY GROUP LIMITED ("ASG")**, a Hong Kong registered company with offices located at Units 1405-1406 Dominion Centre, 43-59 Queen's Road East, Wan Chai, Hong Kong;

and

**PUBLIC SERVICE ELECTRIC AND GAS COMPANY** (together with its Affiliates, known as the "**Owner**"), a corporation organized under the laws of New Jersey, with its offices located at 80 Park Plaza, Newark NJ, 07101.

(each referred to as a "**Party**", and collectively referred to as the "**Parties**").

WHEREAS, Owner is the legal owner and has the rights to sell the Aircraft (as defined in Clause 1 below) and wishes to engage ASG to market such Aircraft with the objective and intent to conclude a sale agreement with a third party.

WHEREAS, ASG has substantial experience marketing aviation assets for sale and will be responsible for such activities with respect to the Aircraft.

NOW, THEREFORE, in consideration of the premises and the mutual covenants and agreements contained herein, the Parties agree as follows:

1. Owner has the exclusive right to sell the following described Aircraft, including all of its equipment, components and available manuals and log books that are in the possession of the Owner or the Aircraft's operator:

Aircraft: McDonell Douglas MD530F (H369FF)  
Serial Number: 0146FF  
Registration Number: N532EZ

(the "**Aircraft**").

2. ASG will conduct a worldwide marketing effort with the objective to sell the Aircraft.
  - (a) ASG will prepare literature and brochures for the Aircraft, including technical specifications and photographs of the Aircraft prepared in accordance with professional aviation standards (the "**Data Pack and Marketing Materials**"). Subject to prior coordination with Owner, Owner will assist ASG by making the Aircraft available for inspection at Hangar 406 at Linden Municipal Airport, 1101 West Edgar Road, Linden, NJ, 07036 and by providing ASG with available information about the Aircraft requested by ASG which may be necessary to

enable ASG to market the Aircraft (including all manuals, component lists, documents and logbooks within the Owner's possession).

- (b) Potential buyers will be identified through ASG's professional industry-network and the computerised market data system maintained by ASG and the daily contacts of the sales and marketing professionals employed by ASG. ASG will only disclose the Data Pack and Marketing Materials to those potential buyers that it (acting reasonably and in good faith) believes are capable of successfully completing the purchase of the Aircraft.
  - (c) ASG will use advertising agencies and industry leading publications to ensure the maximum exposure of the Aircraft to potential buyers.
  - (d) In consideration of ASG undertaking the foregoing marketing effort, Owner hereby grants ASG the exclusive right to market the Aircraft for sale for a period commencing on the date of this Agreement and continuing until six (6) months from the date hereof or earlier terminated in accordance with the terms and conditions of this Agreement (the "**Term**").
3. (a) The asking sale price of the Aircraft (and any counteroffer sale price) shall be first approved by the Owner.
- (b) ASG agrees to promptly present all offers to buy the Aircraft to Owner, and Owner agrees to direct all purchase enquiries it receives for the Aircraft to ASG.
- (c) At Owner's request and direction, ASG will participate in and/or manage communications with relevant potential buyers on behalf of Owner. Notwithstanding the services described in this Agreement, any facilitation of negotiations by ASG will be for business terms only and not for the purpose of providing legal advice to the Owner. Owner retains the right, in its sole discretion, to accept or reject any offer to purchase the Aircraft after taking into consideration the terms and conditions applying to the sale of such Aircraft.
4. (a) If Owner directly or indirectly sells the Aircraft during the Term to anyone, or within two (2) months after the termination of this Agreement to any potential buyer initiated by ASG during the Term as described in the list of prospects provided to Owner pursuant to Clause 5, then Owner agrees to:
- (i) Pay ASG a fee equal to 3% (three percent) of the selling price of the Aircraft, as referenced in the final sale and purchase agreement (the "**Fee**").
- If a sale is concluded with a buyer, the Fee shall be paid by Owner to ASG on closing, upon release to Owner of sale consideration, via wire transfer



directly out of escrow. The price and other terms and conditions of the sale of the Aircraft shall be established and determined solely by Owner, but ASG shall provide professional advice based on their expertise and industry practices. Closing is signified by the transfer of title from Owner to the ultimate buyer as defined under the sale agreement with the ultimate buyer.

- (b) Unless otherwise specifically approved or requested by Owner, ASG's Fee shall include all costs incurred by ASG associated with the marketing of the Aircraft, such as time, travel, client meetings, airshows, industry conferences and conventions, the fee of the advertising agencies and industry leading publications, photography, videography, and other online or print advertisements.
  - (c) "**Affiliate**" shall mean (i) any Person which controls, directly or indirectly, another Person; (ii) any Person which is controlled, directly or indirectly, by another Person; or (iii) any Person which is, directly or indirectly, under the common control of another Person. "**Person**" shall mean an individual, corporation, partnership, trust, fund, association, or other legal entity.
5. ASG shall provide Owner in writing a list of the full legal names of any new prospective buyers with a demonstrated interest in the Aircraft and with whom ASG has communicated on a weekly basis. Upon termination of this Agreement, ASG shall provide Owner with a complete written list of the full legal names of all such prospective buyers with a demonstrated interest with whom ASG has communicated regarding the sale of the Aircraft during the Term.
6. (a) Owner may terminate this Agreement by written notice to ASG in accordance with Clause 11 ten (10) days prior to the proposed date of such termination upon a breach of the terms of this Agreement by ASG.
- (b) ASG may terminate this Agreement by written notice to Owner in accordance with Clause 11 ten (10) days prior to the proposed date of such termination upon a breach of the terms of this Agreement by Owner.
- (c) Owner may, in its sole discretion and for any reason whatsoever, decide to remove the Aircraft from the market and/or terminate this Agreement for any reason (other than in accordance with Clause 6(a)) by written notice to ASG in accordance with Clause 11 fifteen (15) days prior to the proposed date of such termination. Upon a termination in accordance with this Clause 6(c), Owner agrees to reimburse ASG for all approved and documented third party expenses (evidenced by receipts) incurred by ASG in the performance of its obligations under this Agreement (the "**Expenses**"). Such reimbursement shall be capped and not exceed US\$5,000 (Five Thousand US Dollars).



7. ASG and Owner agree that the terms of this Agreement and any resulting sale and sale agreement shall be kept confidential (except where disclosure may be required by applicable law or by a regulatory authority with oversight over Owner) unless mutually agreed to in writing by the Parties.
8. Each Party represents and warrants to the other Party that: (i) it is a validly registered corporation under the laws of its jurisdiction; (ii) it is authorised to enter into this Agreement; and (iii) the entry into this Agreement shall not violate any law or any of its obligations to any third parties.
9. AGS acknowledges and agrees that it is acting as an independent contractor and that it has no express or implied authority to bind or obligate Owner in any manner whatsoever.
10. Each Party undertakes in carrying out its activities under this Agreement to at all times maintain ethical standards of business conduct and comply with all applicable laws and regulations including but not limited to the United States Foreign Corruption Practices Act, the Hong Kong Prevention of Bribery Ordinance, and the United Kingdom Bribery Act and any other applicable anti-bribery laws.
11. Any notice or other communication pursuant to this Agreement delivered to a Party by hand or by ordinary post, and also sent via electronic mail to, will be deemed to have been received by the addressee Party if delivered to the following notice address:
- If to Owner: Public Service Electric and Gas Company, 80 Park Plaza, T-11, Newark New Jersey 07101, United States of America, Attn: Nicholas Tonzetich, Email: [nicholas.tonzetich@pseq.com](mailto:nicholas.tonzetich@pseq.com) AND Public Service Electric and Gas Company, 80 Park Plaza, T-5, Newark New Jersey 07101, United States of America, Attn: Michael J. Palumbo, Email: [michael.palumbo@pseq.com](mailto:michael.palumbo@pseq.com)
- If to ASG: Asian Sky Group Limited, Units 1405-1406 Dominion Centre, 43-59 Queen's Road East, Wan Chai, Hong Kong, Attn: Jeffrey C. Lowe, Email: [jlowe@asianskygroup.com](mailto:jlowe@asianskygroup.com).
12. Neither Party shall be liable for any direct, indirect, punitive or consequential damage (including without limitation lost profits or opportunity) howsoever arising under or in connection with this Agreement.
13. The invalidity or unenforceability of any provisions of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement, which shall remain in full force and effect.
14. The terms and conditions herein contained constitute the entire agreement between the Parties hereto. This Agreement shall supersede all previous



communications, either oral or written, between the Parties. Amendments modifying or extending the Agreement shall be binding upon both Parties only if in writing and signed by a duly authorized officer or representative of each Party.

15. This Agreement shall be governed by and construed in accordance with the laws of the state of New York and the Parties agree that any and all disputes arising in connection with this Agreement, in case of failure to settle through amicable negotiations between the Parties, shall be settled according to the New York International Chamber of Commerce (ICC) in accordance with its Rules of Arbitration, which Rules are deemed to be incorporated by reference into this Clause. The number of arbitrators shall be three (3). The seat of arbitration shall be in New York. The arbitration proceedings shall be conducted in English.
16. The Agreement may be executed in any number of counterparts and this has the same effect as if the signatures or the counterparts were on a single copy of this Agreement.
17. The Parties agree that all electronic, telecopied or telefaxed copies of this Agreement and signatures hereto shall be deemed to be originals.
18. Clauses 4, 5, 7, 8, 13, and 15 shall survive the termination of this Agreement.
19. All disputes between ASG and any third party in connection with this Agreement or the execution thereof or any matter not specified in this Agreement, shall be settled solely between ASG and such third party. ASG agrees to indemnify and hold Owner harmless from and against any and all claims, costs, expenses, demands, liabilities, penalties, fines, and forfeitures of any nature whatsoever which may be asserted against the Owner from a third party in connection with this Agreement.

*(Signature Page Follows)*

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed by duly authorized representatives of both Parties.

**ASIAN SKY GROUP LIMITED**


*For and on behalf of*  
**Asian Sky Group Limited**  
亞翔航空有限公司

  
.....  
*Authorized Signature(s)*

I have read and fully understand, agree and accept the above mentioned terms and conditions.

**Jeffrey C. Lowe**  
Managing Director  
Asian Sky Group Ltd.  
Units 1405-1406 Dominion Centre, 43-59 Queen's Road East,  
Wan Chai, Hong Kong  
Email: jlowe@asianskygroup.com

**PUBLIC SERVICE ELECTRIC AND GAS COMPANY**



I have read and fully understand, agree and accept the above mentioned terms and conditions.

**Name:** Nicholas R. Tonzetich  
**Title:** Procurement Operations Manager

# EXHIBIT C

Letter of Intent (the "**LOI**")  
Regarding One (1)  
MD 530F Serial Number 0146FF

Date: June 16, 2020

This LOI outlines the general terms and conditions under which **TIM L. HARDING**, a United States of America citizen (the "**Purchaser**") will purchase from **PUBLIC SERVICE ELECTRIC & GAS COMPANY (PSE&G)** a United States of America registered company, with its offices located at 80 Park Plaza, Newark NJ, 07101 (the "**Seller**") one certain McDonnell Douglas MD530F helicopter as listed below (the "**Aircraft**"), which shall include all avionics, equipment and components installed on or related to the aircraft and any other associated accessories, and all manuals, logbooks and all documents and records (whether on paper, stored electronically or in any other medium) related to the Aircraft available with the Seller.

- McDonnell Douglas MD530F, Serial Number 0146FF, Registration Number N532EZ, powered by Rolls Royce Engine 250-C30, Serial Number CAE-900196.

**This LOI is subject to the following terms and conditions:**

For the purposes of this LOI, "Business Days" shall mean any day (other than a Saturday or Sunday) on which banks are open for general business in the New Jersey.

1. Purchase Price. Purchase price shall be **US\$1,300,000** (One Million Three Hundred Thousand United States Dollars) payable at time of transfer of title and delivery of the Aircraft to Purchaser on the Delivery Date (as defined in Clause 7 below).
2. Inspection.
  - (a) Within ten (10) Business Days of execution of this LOI, or as otherwise mutually agreed, Purchaser shall have the right to perform an inspection of the Aircraft to confirm its condition is satisfactory.
  - (b) Purchaser shall bear the direct costs of performing such Pre-Purchase Inspection.
  - (c) Such inspection shall consist of a log book and records review, a visual review of the Aircraft, and include a video borescope inspection of the Main Gear Box, a Main Rotor Drive Shaft Inspection, and any other mutually agreed activities required to verify the condition of the Aircraft specified in Clause 6 below (collectively, the "**Pre-Purchase Inspection**") at the Aircraft's current location in New Jersey, USA, or otherwise as mutually agreed location (the "**Inspection Location**").
  - (d) Within three (3) Business Days of completion of the Pre-Purchase Inspection, Purchaser shall provide Seller with a written acceptance or rejection of the Aircraft in the form of Attachment A to this LOI.





3. Deposit.

- (a) Within five (5) Business Days of execution of this LOI, Purchaser shall place a deposit in the amount of US\$100,000 (One Hundred Thousand United States Dollars) (the "**Deposit**") in escrow with Insured Aircraft Title Service, LLC., Oklahoma City, Oklahoma ("**Escrow Agent**") pending execution of a mutually agreeable Purchase and Sale Agreement;
- (b) If, following the Pre-Purchase Inspection, Purchaser:
  - (i) either (i) rejects the Aircraft or (ii) does not provide Seller with a written acceptance or rejection, the Deposit (defined below) shall be returned to Purchaser by Escrow Agent, after which neither party shall have any further obligation to the other (other than the obligations regarding Confidentiality, the Deposit and Governing Law and Dispute Resolution); or
  - (ii) issues its notice of acceptance or conditional acceptance of the Aircraft in accordance with Clause 2(d) and executes a Purchase and Sale Agreement, the Deposit shall convert to a pre-delivery payment against the Purchase Price payable to the Seller under the Purchase and Sale Agreement and, following execution of the Purchase and Sale Agreement (defined below), shall be held in accordance with its terms.
- (c) Any fees of any escrow agent shall be equally shared between the Seller and the Purchaser.

4. Escrow Agent Wire Instructions:

Account name	:	Insured Aircraft Title Service LLC.
Bank	:	Bank of America Oklahoma City, Oklahoma, United States of America
ABA	:	026009593
SWIFT Code	:	BOFAUS3N
Account No.	:	0028 6358 5210
Reference	:	Aircraft MSN and/or Registration Number

(or such other Wire Instructions as notified by the Escrow Agent to the parties and verified verbally).

All payments to Seller and/or Seller designated bank account shall be made by wire transfer in U.S. Dollars in immediately available funds without any set off or deductions, free and clear of any withholdings whether in respect of tax or otherwise to the Escrow Agent. This Clause 4 shall be legally binding.

5. Purchase and Sale Agreement.

- (a) This LOI and the obligations of Purchaser and Seller herein are non-binding unless otherwise specifically stated herein and are subject to execution of a mutually agreed definitive Purchase and Sale Agreement (collectively the "**Purchase and Sale Agreement**"). For the avoidance of doubt, clauses in this LOI relating to the refunding of Deposit shall be legally binding on Purchaser and Seller.
- (b) Both Purchaser and Seller acknowledge that time is of essence in this transaction and will work together to draft and execute a definitive Purchase and Sale Agreement within twenty (20) Business Days of execution of this LOI, or such later date as agreed between the Purchaser and the Seller.
- (c) The Parties acknowledge that the Seller's obligations to sell the Aircraft shall be conditioned upon Seller obtaining an order of approval, in a form and substance acceptable to Seller, from the New Jersey Board of Public Utilities.
- (d) Following execution of the Purchase and Sale Agreement, the Deposit shall be governed by the terms pertaining to it as agreed therein.



6. Condition. The Aircraft shall be delivered in the following Condition:

- (a) Free and clear of all liens and encumbrances with good and marketable title
- (b) With all available logbooks, records, manuals, and loose equipment in Seller's possession pertaining to the Aircraft and its operation.
- (c) Seller shall provide such documentation within its control and possession as reasonably required by Purchaser.

Other than that, the Aircraft will be sold "as is, where is" without any express or implied warranties other than warranties of good and marketable title.

7. Delivery.

- (a) Delivery of the Aircraft to Purchaser will occur at the Inspection Location, or other mutually agreed location (the "**Delivery Location**") in accordance with the terms of the Purchase and Sale Agreement on the date specified therein (the "**Delivery Date**").
- (b) Title to the Aircraft shall be transferred to Purchaser upon the receipt of Purchase Price by Seller on the Delivery Date.
- (c) Seller shall issue and deliver a Bill of Sale to Purchaser simultaneously through escrow, the details of which shall be set out in full in the Purchase and Sale Agreement and any escrow agreement.
- (d) Except for any taxes on Seller's income, any taxes related to the sale of the Aircraft shall be borne by Buyer.

Exclusivity. From the date on which the Deposit is paid by Purchaser to the escrow account, to the date that is the later of (i) three (3) Business Days after the Purchaser has conducted the Pre-Purchase Inspection and (ii) twenty (20) Business Days after the date of execution of this LOI, (such period, the "**Exclusivity Period**"), the Seller shall act in good faith and not sell the Aircraft to any person or group of persons other than Purchaser. If the Parties do not execute the Purchase and Sale Agreement during the Exclusivity Period (as may be extended only by written agreement of the Parties), then this LOI shall terminate and the Parties shall have no further obligations to each other (other than the obligations regarding Confidentiality, the Deposit and Governing Law and Dispute Resolution).

8. Conditions Precedent. The obligations of Seller and Purchaser to complete the transactions contemplated by this LOI are subject to:

- (a) Purchaser having completed a satisfactory inspection of the Aircraft;
- (b) execution of mutually satisfactory Purchase and Sale Agreement and any ancillary documentation; and
- (c) satisfaction of all conditions precedent set forth in the Purchase and Sale Agreement.

9. Expenses. Purchaser and Seller will each bear their own costs and expenses (including but not limited to broker fees and commissions, legal fees and tax advice) to negotiate and complete the transaction documents. Purchaser will bear the costs associated with issuance of legal opinions (if required by Seller), transfer of title, aircraft and document registrations and filings.





10. Confidentiality. The terms and conditions of the present LOI shall be deemed strictly confidential and shall not be divulged by either the Purchaser or the Seller to any party (except for the directors, employees, agents, representatives, any legal and/or tax advisors, related corporations and affiliates of Purchaser or Seller, or the to the New Jersey Board of Public Utilities or other parties relating to a governmental proceeding, as the case may be), without the prior written consent of the other party.
11. Governing Law and Dispute Resolution. This LOI shall be governed by and construed in accordance with the laws of New York and the parties agree that any and all disputes arising in connection with this LOI, in case of failure to settle through amicable negotiations between the parties, shall be settled according to the rules of the International Chamber of Commerce (ICC). The number of arbitrators shall be one (1). The seat of arbitration shall be in New York. The arbitration proceedings shall be conducted in English. . This Clause 12 shall be legally binding.
12. Counterparts. The LOI may be executed in any number of counterparts and this has the same effect as if the signatures or the counterparts were on a single copy of this LOI. This Clause 13 shall be legally binding.
13. Electronic Copies. The parties agree that all electronic, telecopied or telefaxed copies of this LOI and signatures hereto shall be deemed to be originals. This Clause 14 shall be legally binding.

This LOI is valid through 5:00 pm US Eastern Standard time on July 1st, 2020, after which, if not accepted, it shall expire having no further force or effect.

(Signature Page Follows)



**TIM L. HARDING**



Signature :

Date: June 16, 2020.

**PUBLIC SERVICE ELECTRIC AND GAS  
COMPANY (PSE&G)**



By: Kim C Hanemann

Title: SVP & COO - PSE&G

Date: 7/1/2020

Acknowledged by:

**INSURED AIRCRAFT TITLE SERVICE, INC.**

(Escrow Agent)

By: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

# EXHIBIT D



## **AIRCRAFT APPRAISAL REPORT**

**2006 MD Helicopters MD530F (369F)**

**Serial Number 0146FF**

**Registration Number N532EZ**

**USPAP 8-2(b)(iii)**

**Prepared for:**

Public Service Electric & Gas  
&

Mr. Jason Houser  
4000 Hadley Road  
South Plainfield NJ 07080 MC 429

**Report Date: July 21, 2020**

**Effective Date: July 21, 2020**

**USPAP 8-2(b)(vi)**

**Project Identification Number:**

**Appraisal Report #VREF20-530F-0146FF**

**VREF Aircraft Value Reference, Appraisal & Litigation Services**

**1411 McHenry Road, Suite 125**

**Buffalo Grove, IL 60089**

**Main Line: (844) 303-VREF**

**Facsimile: (515) 244-7778**



**[WWW.VREF.COM](http://WWW.VREF.COM)**

Public Service Electric & Gas & Mr. Jason Houser/ VREF20-530F-0146FF/Effective Date: July 21, 2020



July 21, 2020

Public Service Electric & Gas  
Mr. Jason Houser  
4000 Hadley Road  
South Plainfield NJ 07080 MC 429

Attention: Mr. Jason Houser

### **AIRCRAFT APPRAISAL**

Per your aircraft appraisal request, the undersigned has completed an appraisal for the **2006 MD Helicopters MD530F (369F), Serial Number 0146FF, and Registration Number N532EZ**. The purpose of this aircraft appraisal report is to arrive at an opinion of the *Current Fair Market Value based on the equipment of this 2006 MD Helicopters MD530F (369F)* for the purpose of potential financing, purchase or resale as of the effective date.

This aircraft appraisal report should not intimate that there could not be any fluctuations of the values expressed in the future. The fee for this report is for our expressed opinion at the time of appraisal/evaluation with no warranties or guarantees as to the outcome at any future date, if tested.

This appraisal sets forth our opinion of *Current Fair Market Value* based upon an investigation of conditions affecting *Current Fair Market Value* and is subject to the Statement of Limiting Conditions and Definitions contained in this appraisal. Reviewing the Statement of Assumptions/Limiting Conditions and Terms & Definitions will assist in avoiding erroneous interpretation of this appraisal. Additionally, it is important to understand the Valuation Methodology. We have prepared this appraisal based on the information you or your representative provided. We do not warrant the accuracy of information provided to VREF. Please review this document carefully to ensure that there are no omissions or misstatements of material data or information.

Thank you for the opportunity to be of service with this appraisal. If there are any questions regarding the method of appraisal or valuation concept, please do not hesitate to call upon me at any time.

A handwritten signature in blue ink, appearing to read "JZ", is written over a solid blue horizontal line.



Jason Zilberbrand, **ASA, CAA, ISA AM, AOA AM, MRAeS**  
VREF President  
Accredited Senior Appraiser  
Machinery and Technical Specialties (Aircraft)  
American Society of Appraisers





# VREF AIRCRAFT VALUE REFERENCE APPRAISALS

## USPAP COMPLIANT AIRCRAFT APPRAISAL REPORT \*

**2006 MD Helicopters MD530F (369F)**  
REGISTRATION NUMBER N532EZ  
Serial Number 0146FF  
(2006 Certificate of Airworthiness)

PREPARED FOR  
**Public Service Electric & Gas**  
**&**  
**Mr. Jason Houser**

PREPARED BY  
Jason Zilberbrand, ASA, CAA, ISA AM, AOA AM, MRAeS  
Aviation Management Consulting, Inc.  
d/b/a UAS Solutions and Value\$  
For VREF Aircraft Value Reference

Effective Date: July 21, 2020  
Report Date: July 21, 2020

\*Compliant Appraisal – Uniform Standards of Professional Appraisal Practice  
(USPAP 2020-2021 Edition Effective until December 31, 2021)





### **Effectivity Statement**

The Appraisal Contained Herein and The Statement of Values and Limiting Conditions Are Valid Solely to The Addressee Only for the effective date of the report. Should the subject aircraft be sold, transferred or otherwise disposed of to someone or some organization other than the addressee, this appraisal and the Statement of value and Limiting Conditions set forth herein shall become null and void.

### **Proprietary Notice**

This Aircraft Appraisal Report Is Presented for the Exclusive Use of Public Service Electric & Gas & Mr. Jason Houser. It May Not Be Transmitted in Any Form to Any Other Party without the prior written consent of VREF. Possession of this Aircraft Appraisal Report or a copy thereof does not carry with it the right of publication. This Aircraft Appraisal Report may not be assigned to any third party and may be used only for the purpose described under intended use/intended user by any person(s) or entity other than Public Service Electric & Gas & Mr. Jason Houser as determined by the addressee.

### **Privacy Statement**

VREF Respects the Privacy of Our Customers. We Pledge to Never Release Your Personal, Non-Public Information (I.E. Name, Address, Telephone Number, E-Mail Address or Other Information) To Anyone Who Is Not Employed by VREF, Except as Permitted or Required by The Gramm-Leach-Bliley Act (1999).

Data contained in this report is valid only on the effective date of this report. The customer or third party using this report as a part of their purchase decision process should recognize that this appraisal/valuation report is limited in scope as only the records and information provided by the client or his representative were reviewed and that discrepant conditions may exist in the aircraft which were not discovered or recorded during their evaluation. The customer authorizing this appraisal/evaluation has covenanted not to sue, agreed to defend, indemnify and hold VREF harmless from and against all claims asserted by the customer or any third party. VREF is also clear from all damages, losses and expenses, including attorney fees arising out of or resulting from this appraisal/valuation or the condition of the aircraft on-site evaluation (if performed). This is regardless of whether or not resulting in whole or in part of any negligence of VREF.



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## EXECUTIVE SUMMARY

### **Introduction & Appraisal Services Request:**

PUBLIC SERVICE ELECTRIC & GAS & MR. JASON HOUSER [Jason.Houser@pseg.com](mailto:Jason.Houser@pseg.com) requested this aircraft appraisal assignment via electronic mail on July 14<sup>th</sup>, 2020. VREF has been retained to provide Public Service Electric & Gas & Mr. Jason Houser with a representation of Current Fair Market Value for **2006 MD Helicopters MD530F (369F), Serial Number 0146FF, Registration Number N532EZ** and provide Public Service Electric & Gas & Mr. Jason Houser with a written Appraisal Report consistent with the guidelines established by the Uniform Standards of Professional Appraisal Practice (USPAP). This appraisal was prepared in support of potential financing, purchase or resale of the subject aircraft to Public Service Electric & Gas & Mr. Jason Houser.

### **Intended Use/Intender User:**

The values reported within this report are intended to be utilized for **the resale of the subject aircraft** for the sole use and benefit of **Public Service Electric & Gas & Mr. Jason Houser** for determining the *Current Fair Market Value* via a Uniform Standards of Professional Appraisal Practice (USPAP) compliant *"On-Site Appraisal"* on **2006 MD Helicopters MD530F (369F), Serial Number 0146FF, Registration Number N532EZ** (2006 Certificate of Airworthiness) for the purpose of potential financing and may not be assigned to any third party without the prior written consent of VREF.

### **Scope of Work: (Valuation Assignment)**

For this valuation assignment, a narrative *Appraisal Report* has been prepared outlining the appraisal techniques and procedures utilized in evaluating the subject aircraft for certain values as requested below.

This Appraisal Report includes the results of:

- A. An evaluation of the aircraft's photos, maintenance data, equipment lists, and other data as provided by the client and collected on-site.
- B. Determination whether the Sales Comparison, Cost, or Income approach is relevant to the subject aircraft. The Cost and Income approaches were deemed to lack relevance with regard to this aircraft as this type of aircraft is priced based on market activity and numerous sales comparisons exist. No income generating information was provided to support an Income Approach valuation. No replacement cost information was provided to support a Cost Approach valuation. The Sales Comparison approach was considered and used because there are like aircraft of similar utility that trade on the open market.
- C. Determination of Current Fair Market Value for the subject aircraft for the



- D. purpose of potential financing, purchase or resale opportunities.  
The appropriate research that includes many sources including, but not limited to, aircraft advertised for sale, published value information and the use of proprietary databases.
- E. The preparation of this appraisal report.
- F. The registered owner of this aircraft was established using the aircraft's registration and FAA records as verification. It appears that the ownership does not have a bearing on the value of this aircraft. The registered owner is assumed to have full and legal title to the aircraft, and it is further assumed that the registered owner has the unconditional power to dispose of the property as it sees fit.





## **2006 MD Helicopters MD530F**

**SERIAL NUMBER: 0146FF**

**REGISTRATION NUMBER: N532EZ**

**PREPARED FOR**

**Mr. Jason Houser**

**&**

**Public Service Electric & Gas**

**EFFECTIVE DATE:**

**July 21, 2020**







# CERTIFICATE OF EVALUATION

A review of the engine equipment list, history, options, modifications, and maintenance recently performed occurred on July 21<sup>st</sup>, 2020 and 2006 MD Helicopters MD530F Aircraft, serial number 0146FF at the office of VREF Aircraft Value Reference & Appraisal Services, located in Buffalo Grove, Illinois.

It is the opinion of this reviewer that the **Fair Market Value (FMV)** of the above Aircraft on the Effective Date of July 21<sup>st</sup>, 2020 was:

**\$1,065,000.00**

**One Million and Sixty-Five Thousand U.S. Dollars**

This certificate is valid only on the signed effective date and must be accompanied by a full appraisal to be USPAP compliant.

**Jason Zilberbrand, ASA, CAA, ISA AM, AOA AM, MRAeS**  
VREF President



### **Appraisal Conclusions: Effective Date of Appraisal: July 21, 2020**

The above value indicates Current Fair Market Value in constant 2020 U.S. dollars with no inflation factors.

The following definition of CURRENT FAIR MARKET VALUE was utilized for this appraisal to include the MARKET VALUE assumption and is sanctioned by The Appraisal Foundation and the American Society of Appraisers as: The current cost, new, or a similar new property having the nearest equivalent utility as the property being appraised.

**Value\*** is the amount, relative worth, utility, or importance of an asset (not necessarily equal to price or cost).

**Price\*** is the amount a particular purchaser agrees to pay, and a particular seller agrees to accept under the circumstances surrounding their transaction. Price may not necessarily be equal to value.

***\*Definitions from “Valuing Machinery and Equipment: The Fundamentals of Appraising Machinery and Technical Assets” Second Edition, American Society of Appraisers.***

**Useful Life** is the period of time over which property may reasonably be expected to perform the function for which it was designed.

VREF’s projected **Useful Life** for the subject aircraft is approximately 40-years from its date of manufacture if the aircraft is operated in accordance with the aircraft’s approved maintenance and overhaul recommendations, complying with the applicable bulletins recommended by the aircraft’s manufacturer and using only parts and processes acceptable to the aircraft’s manufacturer.

### **Resale Pricing Adjustments:**

Resale pricing adjustments are based on actual sales transactions and current market conditions such as overall trends in asking prices, increase or decrease in supply, demand, and sales volume. We obtain sales pricing data from owners and operators, lenders and lessors, brokers and equipment manufacturers worldwide.

VREF monitors’ several indicators in the used Business Aviation Market, including inventory levels, pricing levels and days on market. We believe the used General Aviation Market serves as a leading indicator of the new Business Aviation Market.





The Business Aviation Market is cyclical in nature, largely driven by the general, domestic and world economic environment.

Actual aircraft condition, time, operation history and modifications are far more important than age. Values can vary widely based on the maintenance and modification status. Maintenance history and refurbishment restoration quality can vary values from a low to high extremes. Actual values must be determined by actual appraisals.

***This appraisal/valuation was developed as a service for Public Service Electric & Gas & Mr. Jason Houser to assist in arriving at the Current Fair Market Value of the subject 2006 MD Helicopters MD530F (369F). These values are intended as a guide developed by an American Society of Appraisers accredited appraiser and are not to be considered to reflect all unforeseen market variances.***

#### **VREF – Trends and Market Valuation Analysis of Aircraft Values**

##### **July 2020 Market Data:**

I found approximately 6 pre-owned **MD530F (369F)**'s on the Global market. These 6 **MD530F (369F)**'s represents approximately two (2%) percent of the approximately 300 **MD530F (369F)**'s in operation. The **MD530F (369F)**'s started production in 1987 and is still in production. The **MD530F (369F)**'s currently listed for sale typically remains on the market for an average of an estimated 300 days.

It is generally accepted that a correlation exists between the strength of the resale market and the time it takes to sell an aircraft. While most will agree that this is true, the "time on market" is also partially a function of price. Still, in a "normal market," it usually takes approximately six to eight months to effectively market a properly priced, well-equipped and maintained aircraft. Traditionally, when 10% of the operational fleet of a particular model aircraft is for sale, it is considered normal sales activity, less than 5% is a "seller's" market and more that 15% is a "buyer's" market. With approximately 2% of the fleet for sale, this is within the range of what would be considered a seller's market.

VREF's appraisal of this **2006 MD Helicopters MD530F (369F)** indicates that our conclusions are consistent with the data we reviewed. **PUBLIC SERVICE ELECTRIC & GAS & MR. JASON HOUSER, VREF, AMSTAT 2020 (AMSTAT Corporation), The Airliner Price Guide**, and review of aircraft publicly listed for sale and/or other reported closings from financial institutions/manufacturers, as well as an on-site audit may have provided this data.

It is assumed that the aircraft will be returned to service in an airworthy condition upon completion of any (if any) and all required outstanding maintenance.

Public Service Electric & Gas & Mr. Jason Houser/ VREF20-530F-0146FF/Effective Date: July 21, 2020





### **Sales Comparison APPROACH:**

The **Sales Comparison Approach** was determined to be efficient because of the ability to estimate an amount at which the aircraft might exchange between a willing a buyer and willing seller, neither being under compulsion and each having knowledge of all relevant facts. This approach is based upon the premise that an informed buyer would pay no more for an aircraft than the cost of a comparable one. Actual sales prices and listed prices for aircraft for sale are used to establish the value of a hypothetical aircraft, like the one under review. The degree of similarity between each aircraft actually sold, and the hypothetical aircraft, determines the weight given to each sale. Assumptions regarding the configuration, condition, and status of the hypothetical aircraft are developed and presented. Although there are no mathematical formulas for calculating hypothetical value, it is not a guess or an unsupported estimate. Hypothetical aircraft value is quantified by weighing all relevant and factual comparable sales data. Adjustments are then made to the hypothetical value to determine the market value of the aircraft under review. These adjustments are based upon the configuration, condition, status and history of the aircraft, as revealed by evaluation of the aircraft and its maintenance records.

This appraisal sets forth our findings and professional conclusions based upon an investigation of conditions affecting Current Fair Market Value, and is subject to the Statement of Assumptions/Limiting Conditions, Valuation Methodology Terms & Definitions, which will assist in avoiding erroneous interpretation of this appraisal. Additionally, it is important to understand the VREF Valuation Methodology used for this appraisal.

VREF has no control over asset depreciation. These factors could be one or more of the following;

- **Technical Obsolescence**: Changes in the operational environment, which is attributable to technological alternatives or possible successors to the Aircraft.
- **Functional Obsolescence**: which is the loss in value owing due to increasing technical and operational difficulties in using the Aircraft.
- **Economic obsolescence**: which is the loss in value due to economic factors external to the Aircraft themselves.
- **Physical Deterioration**: which is the loss in value due to wear and tear.

### **On-Site Evaluations and Other Considerations**

VREF did physically evaluate the subject aircraft and its associated maintenance records.

### **VREF Evaluation and Records Review (Normal Engagement)**

We do not determine airworthiness (see below) or maintenance condition. The typical evaluation and records review is for our appraisal/valuation process only. We do not



investigate ownership or operator status. We will not assess prior damage or prolonged maintenance history on the subject aircraft or its components.

We are doing an As Is-Where Is analysis as of the effective date of the appraisal. We do not ascertain warranty status (existence, term, expiration or payment status) of the aircraft, engines, APU (if installed) or components. We do not verify enrollment of any Engine, APU or Airframe maintenance programs.

**Airworthy Condition:** The term *airworthiness* is not defined under the U.S Code of Federal Regulations or Federal Aviation Regulations (FAR's). Nevertheless, a clear understanding of its meaning is an essential tool for complying with the various FAR's incorporating the concept of airworthiness. The term represents the substance of two very fundamental safety regulations, FAR 43.15(a) and 91.7(a). The first states that "persons performing required inspections do so to "determine whether the aircraft ... meets all applicable airworthiness requirements."

The latter specifies, "No person may operate a civil aircraft unless it is in an airworthy condition."

From these two citations have come bodies of FAA and NTSB case law defining the term that can be summarized as follows: An aircraft is airworthy only if it is capable of a safe operation and conforms to its type certificate.

If the term *airworthy* were interpreted to mean only to be in a condition for safe flight, at times it would be unreasonably difficult to enforce the regulations.

In order to prove that a pilot operated an unairworthy aircraft or that a mechanic certified an unairworthy aircraft as airworthy, the FAA sometimes would be required to undertake an extensive test-flight program of an aircraft that did not conform to the applicable type certificate.

Additionally, if *airworthy* meant only to be in a condition for safe flight, it would render the entire airworthiness certification procedures meaningless. That is, any modification to the original type design would be acceptable solely on the basis of a "safe to fly" evaluation.

Conversely, if airworthy only meant for an aircraft to conform to its type certificate (design specifications); the concept of a continuing airworthiness program would be invalidated.

In practical terms this means that the aircraft must conform to the original FAA type-design specifications, as modified by supplemental type certificates; in other words, it should be in the same configuration as it was the day it rolled off the production line or first placed in service. Additionally, alterations, maintenance and preventative maintenance

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performed on the aircraft must have conformed to "methods, techniques and practices prescribed in the current manufacturer's maintenance manual or other methods, techniques and practices acceptable to the administrator" FAR 43.13(a). Source: Business Aviation/Piston Operations Inspector's Handbook, FAA Order 34500.1, and Vol. 2, 180-46-47.

An Airworthiness Certificate is issued by a representative of the FAA after the aircraft has been inspected, is found to meet the requirements of the CFR's and is in condition for safe operation. The certificate must be displayed in the aircraft so that it is legible to passengers or crew whenever the aircraft is operated. The Airworthiness Certificate is transferred with the aircraft, except when it is sold to a foreign purchaser. FAA Form 8100-2, Standard Airworthiness Certificate, is issued for aircraft type certificated in the normal, utility, acrobatic, commuter and transport categories, or for manned free balloons. Therefore, this appraisal considers the date of issuance of the Airworthiness Certificate to represent when the aircraft was manufactured (model year). The subject aircraft date of manufacture, i.e. model year date, should be verified from the aircraft's actual records and originally issued Airworthiness Certificate.

FAA Form 8100-2 remains in effect as long as the aircraft receives the required maintenance and is properly registered in the United States. Flight safety relies, in part, on the condition of the aircraft which may be determined on inspection by mechanics, approved repair stations or manufacturers who meet specific requirements of 14 CFR Part 43. In summary, the FAA initially determines that your aircraft is in condition for safe operation and conforms to type design, then issues an Airworthiness Certificate. Source: Plane Sense (Information; US Department of Transportation (Flight Standards Service) FAA-H-8083-19 Reprinted 1999 [www.faa.gov](http://www.faa.gov)).

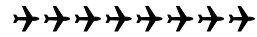
If the appraised subject aircraft is not in airworthy condition, not capable of safe flight, VREF must conduct a new/separate appraisal analysis to address this non-airworthy condition and any value conclusions set forth herein are hereby null and void.

This appraisal/valuation is not intended to be a pre-purchase or technical evaluation of the subject aircraft. However, we highly recommend all buyers perform a pre-purchase/technical evaluation prior to the acquisition of any aircraft/asset. We recommend the following items be audited and reviewed: aircraft specifications/description, equipment list, major repair and alteration status (FAA Form 337 if available). This list should include, but not limited to: component maintenance/modification records, supplemental type certificates, airframe/engine service bulletin reports, airframe/engine/accessory airworthiness directives, airframe/engine service/maintenance/overhaul records, actual airframe/engine logbook records and computerized airframe/engine records. (however, not all items are always made available to VREF)

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This appraisal was conducted by VREF. The reader(s) of this appraisal document may contact Mr. Jason Zilberbrand, ASA, CAA, ISA AM, AOA AM, MRAeS (cell: 312.961.0934) for any additional explanations or clarifications.





## AIRCRAFT SPECIFICATIONS

2006 MD Helicopters MD530F (369F)

The following are the specifications of the subject aircraft based on information provided, some information may have been provided by published sales brochures, advertisements or proprietary databases.

### DESCRIPTION OF SUBJECT AIRCRAFT (As-is – Where-is)

Registration Number N532EZ Serial Number 0146FF

2006 Certificate of Airworthiness

Time as of July 2020	
Total Airframe Hours	2338.5

Engine Manufacturer/Model	Rolls-Royce 250-C30
Serial Number(s)	CAE-900196
TS New	2220.2
Cycles Since New	2349
Time Since OH	470
TBO	1750

**BLADES:** Main Rotor Blades, Serial Numbers: 6084U058 W, 6084U059 R, 6084U060 Y installed September 2010, 1091.5 hours remaining until overhaul.

**ENGINE(S):** Engine Serial Number(s) was provided and reviewed. Engines are in storage preservation.

**INTERIOR DETAILS:** Aircraft is in good condition with standard seating. Aircraft utility configured, with black fabric and vinyl seats. There are no visible tears, stains or rips.

**EXTERIOR DETAILS:** Aircraft is in good condition with Overall Grey paint with black Stripes.

**AIRFRAME CONDITION:** Serviceable as reported by others. Airframe is in storage preservation.

**LOGBOOKS:** Limited Records were not reviewed.



**TIRE CONDITION:** Serviceable as reported by others.

**WINDOW CONDITION:** Serviceable, as reported by others.

**PANEL LAYOUT:** Appears to be a standard installation with some modifications to the avionics.

**EXISTING UPGRADES AND AVIONICS FOR THIS AIRCRAFT:**

- Airspeed Indicator
- L3 AIM-1200 -Attitude Indicator
- Altimeter
- Garmin GMA-347 Audio Selector Panel
- Astro Tech LC-2H - Chronometer
- VHF COMM: Bendix / King KY-196A
- Compass
- ELT: Artex 406
- Engine & System Indicator
- Garmin GNS-430W: GPS/NAV/COMM
- Intercom: Garmin GMS-347
- IVSI Indicator
- XPNDR: Garmin GTX-330ES

*The subject aircraft referred to in this report **did** indicate if ADS-B Out was installed and it is installed per client documentation.*

**ADDITIONAL EXISTING UPGRADES AND FEATURES:**

- Tyler Mount Rack
- Upper & Lower Wire Strike
- Rapid Removal Cabin Door Hinges
- FLIR Quick Mount
- Cargo Mirror
- LED Landing Light
- RH & LH Passenger Vertical Slide Windows
- Cargo Rack
- Inlet Barrier Filter
- Cockpit & Cabin Rain Gutter Kit
- Dual Control

Note: The appraised value is the depreciated off the original cost of purchase/installation. The market expects certain optional equipment on this aircraft. In these cases, no additional value is added. This may not be a comprehensive list of installed equipment

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## **REPORTED AIRFRAME/ENGINE DAMAGE: NONE.**

**Current Damage: NONE REPORTED**

**Historical Damage: NONE REPORTED**

**Significant Events: NONE REPORTED**

### **AUTOMATIC DEPENDENT SURVEILLANCE-BROADCAST (ADS-B)**

The Issue: ADS-B or Automatic Dependent Surveillance-Broadcast, is a cornerstone of NextGen air traffic modernization, and the FAA has mandated that aircraft operating in airspace that now requires a Mode C transponder must be equipped with ADS-B Out by January 1, 2020.

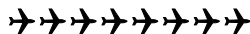
ADS-B Out transmits information about altitude, airspeed, and location derived through GPS from an equipped aircraft to ground stations and to other equipped aircraft in the vicinity. Air traffic controllers use the information to "see" participating aircraft in real time with the goal of improving traffic management.

#### **ADS-B Out is Mandated, Not ADS-B In**

Only ADS-B Out is mandated, and only within certain airspace. Starting January 1, 2020, you must be equipped with ADS-B Out to fly in the airspace where a Mode C transponder is required today. ADS-B Out greatly improves your visibility to other aircraft by broadcasting your aircraft's position to other aircraft equipped with ADS-B In and to air traffic control (ATC).

Go to [www.faa.gov/nextgen/equipadsb/airspace](http://www.faa.gov/nextgen/equipadsb/airspace) to find the airspace where ADS-B will be required near you. For more information on the mandate, see 14 CDR section 91.225 at <http://go.usa.gov/x97sm> and section 91.227 at <http://go.usa.gov/x97sg>.

You can also integrate ADS-B Out with ADS-B in avionics and displays. ADS-B In equipage is not required by the mandate, but it's a great addition to your situational awareness arsenal.







## EVALUATIONS AND OTHER CONSIDERATIONS

### 2006 MD Helicopters MD530F (369F)

#### VREF Data:

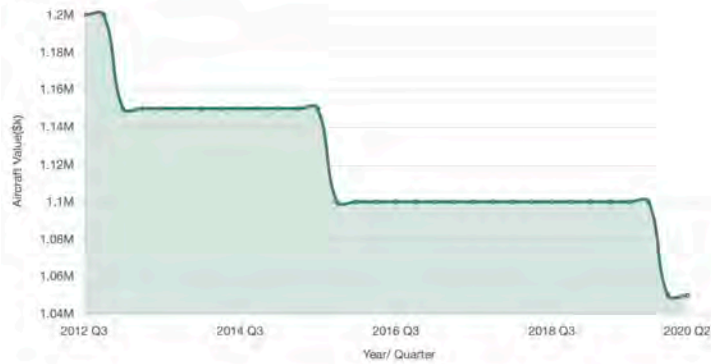
YEAR ↕	MODEL	SERIAL NO.	RETAIL VAL ↕	\$ CHANGE ↕	% NEW ↕	INVENTORY VAL ↕	AFTT ↕
1987	530F	0044FF, 0050FF, 0058FF	\$770,000	↑ \$295k	123.2	616k	5,676
1988	530F	0075FF	\$770,000	↑ \$270k	123.2	616k	5,504
1989	530F	0064FF, 0066FF, 0067FF, 0068F	\$780,000	↑ \$255k	124.8	624k	5,332
1990	530F	0079FF, 0080FF, 0081FF	\$780,000	↑ \$230k	124.8	624k	5,160
1991	530F	071FF	\$780,000	↑ \$205k	111.43	624k	4,988
1992	530F	0082FF-0089FF	\$800,000	↑ \$200k	110.34	640k	4,816
1993	530F		\$800,000	↑ \$175k	96.74	640k	4,644
1994	530F	0096FF-0122FF	\$800,000	↑ \$150k	92.17	640k	4,472
1995	530F	0123FF	\$820,000	↑ \$145k	90.11	656k	4,300
1996	530F	0600FF	\$820,000	↑ \$120k	91.11	656k	4,128
1997	530F	0120FF, 0124FF, 0125FF, 0126FF, 0127FF, 0128FF	\$835,000	↑ \$85k	91.76	668k	3,956
1998	530F	0601FF	\$845,000	↑ \$45k	83.66	676k	3,784
1999	530F	0135FF, 0146FF	\$850,000	↔	84.16	680k	3,612
2000	530F	0138FF, 0140FF, 0141FF, 0142FF, 0143FF, 0144FF, 071C	\$970,000	↑ \$70k	92.38	776k	3,440
2007	530F	0146FF, 0147FF, 0148FF, 0714FF	\$947,500	↓ -\$103k	70.76	758k	2,236
2008	530F	0149FF-0156FF	\$985,000	↓ -\$115k	73.56	788k	2,064
2009	530F	0157FF, 0158FF, 0159FF, 0160FF, 0161FF, 0162FF, 016	\$1,022,500	↓ -\$128k	56.03	818k	1,892
2010	530F	0175FF, 0176FF, 0177FF	\$1,060,000	↓ -\$140k	53	848k	1,720
2011	530F	0180FF-0185FF	\$1,097,500	↓ -\$153k	54.88	878k	1,548
2012	530F	0187FF-0197FF	\$1,135,000	↓ -\$165k	52.79	908k	1,376
2013	530F	0198FF-0209FF	\$1,172,500	↓ -\$228k	50.98	938k	1,204
2014	530F	0213FF-0226FF	\$1,210,000	↓ -\$340k	50.42	968k	1,032
2015	530F	0225FF, 0251FF, 0252FF, 0253FF, 0254FF	\$1,247,500	↓ -\$503k	49.9	998k	860
2016	530F	0255FF, 0256FF, 0257FF, 0258FF, 0259FF, 0260FF, 0261	\$1,287,500	↓ -\$813k	51.5	1,030k	688
2017	530F	0270FF	\$1,350,000	↓ -\$1,050k	54	1,080k	516
2018	530F	0269FF, 0285FF, 0287FF, 0294FF, 0295FF, 0296FF, 0297	\$2,150,000	↓ -\$430k	80.22	1,720k	344
2019	530F	0302FF, 0303FF, 0304FF, 0305FF, 0306FF, 0307FF, 0308	\$2,350,000	↓ -\$305k	85.3	1,880k	172





## Retail Price History

● Aircraft Value



From

Q3

2012

To

Q2

2020

## RETAIL PERCENT CHANGE

Change Last Quarter

## VALUE

Change Last 12 Months

Change Since New

Price When New

-9.76%

-13.86%

-29.24%

\$1,339,000



### Sales Comparison Chart<sup>1</sup>

(Summary chart is for appraisal comparison purposes only)

		Comp 1	Comp 2
<b>Year</b>	2006	2015	2007
<b>Model</b>	530F	530F	530F
<b>REG or Serial Number</b>	0146FF	0253FF	0712FF
<b>Airworthiness</b>	Standard	Standard	Standard
<b>Asking Price</b>	NA	2,500,000	Make Offer
<b>Exposure Time (days)</b>	NA	NA	NA
<b>Selling Price</b>	NA	NA	NA
<b>Airframe Time/Cycles</b>	2220	450	9200
<b>Engine Time (TSN)<sup>(2)</sup></b>	470	450	Similar
<b>Options/Avionics</b>	0	Better/Similar	Similar/Worse
<b>Maintenance Plan</b>	None	None	MSP
<b>Additional Equipment or Work Performed or other Extraordinary Value +/-</b>	Tyler Mount, Wire Strikes, Recent OH, Inlet Barrier, Cargo Rack, Windows	Loaded aircraft	Municipal utility aircraft, high time, new blades, recent gear, OH.
<b>Market Specific Condition Adjustment<sup>3</sup></b>		-1,000,000	
<b>Adjusted Sell/Ask Price<sup>4</sup></b>	N/A	1,500,000	1,200,000
<b>Subject Aircraft Reconciled Appraised Market Value<sup>5</sup></b>	<b>\$1,065,000.00</b>		
<b>Values based on exposure time of 100 days on market.<sup>6</sup></b>			

Similar = within 5% of time or value.

Columns are for information only and do not add up to the total.

\* See Market Value Analysis section.

<sup>1</sup> This chart is a summary table based on asking prices. It is included to help the reader of this report understand the Sales Comparison approach methodology. Certain sales data, adjustment values, airframe & engine times in this chart are de-identified to protect source confidentiality.

<sup>2</sup> TSO = Time Since Overhaul. TSN = Time Since New. TSHSI = Time Since Hot Section Inspection.

<sup>3</sup> The value relationship between the marketplace and a specific aircraft.

<sup>4</sup> This is the adjusted value of the selling or asking price of a comparison aircraft. Adjustment is to the subject aircraft.

<sup>5</sup> The Subject Appraised Value forms the opinion of Market Value for the Subject Aircraft and is derived from the weighted average of the Comps "Adjusted Sell/Ask Price". When using weighted average, a greater weight is given to the adjusted price of comparison aircraft more similar to the subject aircraft, with lesser weight to comparison aircraft that are less similar to the subject aircraft. (In airworthy condition)

A/C 1, A/C 2 are the adjusted asking prices of comparable aircraft found listed for sale.



VREF is the calculated value of the subject aircraft using the current on-line version of the VREF Database.

ACBB is the calculated value of the subject aircraft using the current on-line version of the Aircraft Bluebook Price Digest Database.

\$1,065,000.00 is the calculated reconciled market value of the subject aircraft.

All values based on exposure time identified elsewhere in the report.

All of the above charts represent comparison of the subject aircraft to other aircraft of a similar vintage and model currently for sale. The difference between the Blue Book and/or VREF comparison charts is due to the averaging formulas that exist in the Blue Book or VREF calculations. It is not typical for derived values in the Blue Book or VREF calculations to be based on actual physical inspections while an on-site evaluation process requires a physical inspection of the specific subject aircraft and its records.



## CURRENT FAIR MARKET VALUE STATEMENT

BASED ON THE ENCLOSED VALUATION, OUR APPRAISED CURRENT FAIR MARKET VALUE, FOR THIS 2006 MD Helicopters MD530F (369F), SERIAL NUMBER 0146FF, and REGISTRATION NUMBER N532EZ is:

**\$1,065,000.00 USD**

*The information herein has been prepared from many different sources and is believed to be correct. VREF does not warrant the accuracy of the source material.*

Jason Zilberbrand, **ASA** (117197) is an accredited senior appraiser of the American Society of Appraisers in the Machinery and Technical specialties (Aircraft). The society (ASA) has a mandatory education/recertification program for designation (senior and accredited members). I am in compliance with that program.

*Limitation of Liability: It is understood and agreed that in the event of any error or omission on the part of VREF. Any such liability is limited and may not in any event, exceed the amount paid to VREF for the services rendered. VREF reserves the right to recall all copies of this report to correct any omission or errors. This valuation is null and void and may not be relied upon for any purpose 30-days after the date of this appraisal. Further, VREF accepts no responsibility for usage of the form unless signed by an officer and appraiser of VREF.*

Unless otherwise stated, the value given in this appraisal report represents the professional opinion of value as of the 21<sup>st</sup> day of July 2020.



Jason Zilberbrand, **ASA, CAA, ISA AM, AOA AM, MRAeS**  
 VREF PRESIDENT  
 Accredited Senior Appraiser  
 Machinery and Technical Specialties (Aircraft)  
 American Society of Appraisers



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## VALUATION METHODOLOGY

Pursuant to the request of **Public Service Electric & Gas & Mr. Jason Houser**, **VREF** is pleased to provide this Aircraft On-Site Appraisal Report for the (*aircraft*) listed in this report. This appraisal assumes that the subject aircraft has had maintenance performed as identified, has valid serviceability (airworthiness) documentation and is maintained by the operator (or a third-party maintenance provider) under the regulatory supervision of the USA, DOT (Department of Transportation), FAA (Federal Aviation Administration) or a recognized, national regulatory authority. Values are stated in United States dollars, are rounded to the nearest significant digit and are subject to the descriptions, assumptions, parameters, limiting conditions, standards and methodologies as contained in this Appraisal Report. The purpose of the appraisal is to express an opinion of Current Fair Market Value of the subject aircraft asset as of the effective date, to serve in the determination of asset value for donation purposes, with all values representing the retail marketplace, utilizing the appropriate approach to value for the assets highest and best use, for an in-service (in-use), airworthy and operational aircraft, on a per-each basis and does not reflect any other valuation criteria (see Valuation Methodology). This aircraft was manufactured as a personal, corporate or commercial transportation vehicle, and it is assumed to have been operated within those categories. This market was used for deriving market value. No other market specific conditions were identified or considered in computing the market value assigned.

The aircraft asset, which is the subject of this appraisal, was not physically evaluated (audited) by VREF for physical existence, condition, conformity, specific characteristics, verification of installed equipment, or quality determination. Therefore, no monetary value adjustments relative to these factors were considered, except for those specifically assumed and delineated in this report. A limited audit of the associated historical records was not performed in support of the appraisal process; the documents supplied by the client were not verified as to accuracy or wholeness. The appraiser has outlined various assumptions; therefore, a thorough examination of the Statement of Assumptions/ Limiting Conditions is essential.

In this Aircraft Appraisal, VREF made no investigation as to the aircraft (property/asset) ownership, and has not taken into consideration any leased equipment, intangible items (operating Certificates, pending restrictions, STC's, or Power-by-the-Hour contracts, etc.), encumbrances (including but not limited to mechanics liens) which may be outstanding or consequences from taxation. Our work contains only general information pertinent to the determination of Current Fair Market Value and the methodology utilized by VREF.

Details and descriptions of the subject aircraft are included in this report where known. As previously stated, this document is in the form of an Aircraft Appraisal Report and value as of a specified date by utilizing analytical methods (an "aircraft" valuation). The extent of data collected by VREF meets or exceeds the standard industry level for this type of appraisal assignment.



Data was collected by personal interview, client/operator supplied information, trade literature, sales offerings, computerized databases, published aircraft manuals, general aircraft informational books, and price guides. The aforementioned data is retained by VREF as in-house library reference materials and file notes.

Based upon VREF and the appraisers aviation expertise, knowledge of the overall new and used aircraft marketplace, this specific model of aircraft and the use to which it has been used in various areas of the world, the factors affecting market value, and our familiarity with aircraft transactions in general, forms the basis of the opinion contained in this report. Values reflect the marketplace as of the date specified in this report and subsequent events may materially impact the stated values.

This report was prepared by VREF for the sole and exclusive use of its client **Public Service Electric & Gas & Mr. Jason Houser**. The material enclosed herein reflects the professional opinion of VREF pursuant to the information both supplied by the specific aircraft owner or operator and that which was available at the time of preparation.

VREF has relied upon oral and written information, data and documents, as provided to VREF, for all material facts. This analysis is intended to be merely advisory in nature. This report is not given for, or prepared, as an inducement to any financial transaction and any use or reliance on or decisions made, based upon the data presented is the responsibility of the user.

VREF accepts no responsibility for damages, if any, suffered by any party as a result of decisions made or actions taken based on this Aircraft Appraisal Report.

The analytical methodology utilized by VREF is based on the Sales Comparison Approach to value. The *market or sales comparison approach* is that approach to value where recent sales and offering prices of similar aircraft are analyzed to arrive at an indication of the most probable selling price of the aircraft being evaluated. The **Sales Comparison (Market) Approach** is the most reasonable and commonly used approach to value when appraising aircraft. Most models of aircraft have an available and active market in which to trade.

For this valuation, neither the *COST* nor *INCOME* approaches were examined in detail because it is the opinion of the analyst that by utilizing either of these two approaches, the outcome would result in an inaccurate value conclusion. For further clarification, the *cost approach* (current cost of replacement or reproduction new) is that approach which measures value by determining the current cost of an asset and deducting for the various elements of depreciation, physical deterioration, and functional and economic obsolescence. This approach has its theoretical basis in the Principle of Substitution, which states, "The value of a thing tends to be determined by the cost of acquiring an equally desirable substitute."



The **Cost Approach** was determined to be deficient because of the inability to measure current cost, the full amount of obsolescence and the subjective nature of estimating an appropriate level of depreciation.

This approach is normally utilized when a particular aircraft is either new (tending to minimize the error in estimating depreciation) or one, which is used for a special purpose (therefore not frequently exchanged in the market). The *income approach (or investment value approach)*, in its simplest form, is the present worth of the future benefits (income) of ownership. It is not generally applied to individual aviation related assets since it is difficult, if not impossible, to identify individual income streams. This approach involved estimating some level of future income and converting that income to its present worth.

The **Income Approach** was determined to be deficient for this analysis because no information as to income generated by the subject aircraft was supplied and the subject aircraft is a single asset to which it would be subjective (if not impossible) to determine a projection of income or a rate of return (commonly referred to as a capitalization rate). As a practical matter, many aircraft operations do not contribute to the generation of revenue (income) in a manner, which can be directly measured or attributed to a specific (single) aircraft.

Market value is defined as the estimated amount at which the aircraft might exchange between a willing buyer and a willing seller, neither being under compulsion and each having knowledge of all relevant facts.

The market value of an aircraft, regardless of its use, can be determined through the sales comparable appraisal method. This approach is based upon the premise that an informed buyer would pay no more for an aircraft than the cost of a comparable one. Actual sales prices and listed prices for aircraft for sale are used to establish the value of a hypothetical aircraft, like the one under review. The degree of similarity between each aircraft actually sold, and the hypothetical aircraft, determines the weight given to each sale. Assumptions regarding the configuration, condition, and status of the hypothetical aircraft are developed and presented. Although there are no mathematical formulas for calculating hypothetical value, it is not a guess or an unsupported estimate. Hypothetical aircraft value is quantified by weighing all relevant and factual comparable sales data. Adjustments are then made to the hypothetical value to determine the market value of the aircraft under review. These adjustments are based upon the configuration, condition, status and history of the aircraft, as revealed by evaluation of the aircraft and its maintenance records. This procedure was used in this case.

In general, Current Market Value analyses are based on quantitative elements with the traditional industry standard of the origin being at mid-life (mid-time between overhaul), when stated, with respect to the aircraft major and traditionally high cost maintenance items including but not limited to:





AIRFRAME, ENGINES, COMPONENTS, AVIONICS, MODIFICATIONS, APU'S and LANDING GEAR ASSEMBLIES and then adjusting for the specific status of the subject aircraft. To estimate the value of a specific aircraft by utilizing the *sales comparison approach* to value, monetary value adjustments are calculated from the BASE AIRCRAFT in relation to its identified characteristics, physical deterioration (condition), obsolescence considerations (technological, functional, and economic), and maintenance overhaul, evaluation, and repair status.

Unless otherwise noted in the report, the following standards and general parameters are utilized for the purpose of standardizing comparisons for the valuation process and are delineated as the BASE VALUE.

- (1) That the defined BASE AIRCRAFT is airworthy, as of the specified date of manufacture, operating weights, a stipulated configuration and is normalized to half-time remaining (when appropriate and when stated) for its airframe, engine(s), propeller(s), landing gear assemblies and auxiliary power unit (when installed) to the next major overhaul or scheduled shop visit. To state simply, the identified aircraft is at a midpoint between major evaluations, maintenance (overhaul), restorations, and/or scheduled repairs.
- (2) It is being or will be operated within the guidelines of a recognized Airworthiness Authority (i.e. Federal Aviation Administration, Canadian Air Transportation Administration, Joint Aviation Authority, etc.) under an approved airline or airframe manufacturer's maintenance program, which is consistent with international standards of airworthiness.
- (3) All required Airworthiness Directives (A.D.), mandatory modifications and applicable Service Bulletins (S.B.) are compliant to standard industry levels (except for transport category aircraft).
- (4) It is immediately available for revenue airliner services, commuter/ regional, corporate/executive and or private usage/operation (unless otherwise noted).
- (5) The flight deck (cockpit) and passenger or cargo interiors are in a typical aircraft configuration for the specific type and model, with buyer/supplier-furnished equipment and options generally utilized and accepted in the industry.
- (6) That the aircraft includes (when and where applicable) one complete shipset of: (a) galley inserts i.e. containers, carts (trolleys), ovens, water boilers/coffee brewers, tray carriers, etc.; (b) baggage/cargo containers or pallets consistent with the airplanes capabilities; and (c) the associated historical records, manuals, drawings and other documentation which are normally transferred with an aircraft of this category are properly documented and readily retrievable. All assets being in good commercial working order, free of damage or defects, void of significant corrosion and acceptable to the general aircraft market and buyer.
- (7) Adequate time has been made available to the seller or sales agent in order to maximize the sales price and conversely, sufficient time has been given to the buyer

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to inspect the aircraft (and records), analyze the transaction and to negotiate relevant terms.

- (8) That the entire sales process is accomplished strictly on a commercially reasonable fashion with the aircraft transacted on a one-by-one (or each) basis.
- (9) A willing and knowledgeable seller sells the aircraft to a willing and knowledgeable buyer totally void of duress, misrepresentations, or fraudulent acts, with the transaction consummated for cash with the known fact that financing is reasonably attainable for the subject aircraft from a commercial institution.

Additional elements that are sometimes considered for value adjustments in the evaluation process include but are not limited to: total airframe/engine times and cycles (one takeoff and landing), the ratio of total time to total cycles, engine enhancements, engine power-by-the-hour programs (MSP/EMS/ESP/OnPoint/RRCC/VMAX/JSSI/PistonPower), maximum operating and or future weight increase eligibility, upgraded interior features and configuration options, increased fuel capacity, main deck cargo door, an APU installation (if no standard equipment), and certain navigational and communication systems.

An aircraft's physical condition, relative to standard industry levels for equivalent aircraft, affects market value and remarketing timespan, as does the quality of historical records, applicable documentation and the utilized record retention system. In the event greater valuation accuracy is important, the client should strongly consider engaging a licensed and qualified technician to perform a physical evaluation of the aircraft, which may include: (a) equipment and system functional tests; (b) a test flight; (c) engine borescope evaluations; and (d) engine performance runs. The client may want the appraiser to evaluate the historical restoration costs in detail with an FAA approved repair station and to perform an audit of the corresponding historical records for the judgmental determination of physical condition, record quality, specific maintenance status, configuration desirability and consequently to determine the monetary value adjustments that correspond to these various factors.

Deviations from the stated general parameters, assumptions and standards, as well as, the inclusion of creative (lease-to-purchase options) or long-term financing by the seller, can have a positive effect on the sales price. Conversely, prices are negatively impacted when an aircraft has been out-of-service for prolonged periods, improperly stored (preserved), has parts and components removed or are time expired, has significant accident history, inoperable parts, records errors and/or omissions, not currently certified as airworthy, or sold in quantity, not-in-use or on a liquidated basis.

These are the assumptions and limiting conditions utilized by VREF in this aircraft appraisal.



- (1) Ownership interest in the subject aircraft is not known and the appraiser renders no opinion as to legal fee or title. Prevailing liens, mortgage debt, leases, special assessments, or other encumbrances were disregarded, and the aircraft was valued as if free and clear (unless otherwise specifically stated).
- (2) All estimates of value presented in this report are the appraiser's professional opinion.
- (3) This appraisal has not taken into consideration any consequences from taxation.
- (4) The subject aircraft is assumed to have/be: in a state of operation as indicated by the last logbook entry or other documentation (a) airworthy to FAA, FAR's Part 91,121,135 regulations to the last logbook entry; (b) had accomplished all required maintenance performed since placed into service (including Airworthiness Directives) by and in accordance with an internationally approved maintenance program; (c) all required or OEM recommend Service Bulletins complied with (d) retained on a computerized maintenance planning system with no record deficiencies; (e) maintenance costs and specific airframe and engine status as identified; (f) upgraded avionics; (g) capable of being operated and flown on the effective date; (h) with exterior paint and interior cabin in reported "better than average" physical condition; and (i) all equipment in working order. If the aforementioned items (a) thru (h) are not in compliance, this would affect value.
- (5) The subject appraisal may include value adjustments for specific maintenance status and characteristics where applicable and as provided by the client/owner or operator. Unless otherwise noted it is assumed that all associated historical records are in existence, well organized and retrievable to include: aircraft, engine(s) and APU logbooks, flight logbooks, Airworthiness Directives/Service Bulletins (with method of compliance), Life Limited Part/Component documents, FAA Form 337's, 8130's and all other applicable regulatory documents required for certification and operation.
- (6) A limited record audit was performed, and the appraiser assumes that the complete record quality is adequate for certification and registration in a developed nation. Maintenance status and characteristics, which have been provided by the owner/operator, forms the basis for this report. VREF does not verify this data for accuracy.
- (7) The aircraft was not evaluated on-site, and VREF relied on data provided by the owner/operator and the appraiser assumed it was accurate. VREF does not verify this data for accuracy.
- (8) Various adjustments to value may not have been made because the appraiser could not confirm or quantify valuation impact without the performance of an invasive physical evaluation (inclusive of borescope, NDT and flight test) and/or a detailed historical record audit. In determining value adjustments for those cases where data was provided or known, VREF has made the assumption that the asset is in **average operating condition**, in **average physical condition** (at least equal to standard industry levels) and is at **half-life overhaul status**. The limitations and assumptions

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as stated in this article may either increase or decrease the market value of the subject aircraft

- (9) VREF reserves the right to reevaluate the subject aircraft if any of the above listed ASSUMPTIONS OR LIMITING CONDITIONS are materially modified. We reserve the right to make such adjustments to the estimate of value as herein reported as may be required by consideration of additional or more reliable information that may become available.
- (10) Warranty considerations on the subject aircraft, its engines, auxiliary power unit (APU) if installed or any components are not known, and the appraiser renders no opinion of value. There is no known methodology within the aircraft appraisal industry to calculate any value adjustment for warranted items.

All facts and data set forth in this report are true and correct to the best of this appraiser's knowledge and belief.

The fee for this appraisal report is not contingent upon the values reported. There have not been any guarantees associated with this fee and no liability can be intimated or assumed in any manner.

As the addressee (client) has purchased this report, we assume it is to be used by the addressee in determination of value at that point in time. Use of this report by others should be done so with the understanding that no risk or guarantees have been purchased by the owner of the report nor through the fee paid to the appraiser.



## STATEMENT OF ASSUMPTIONS/LIMITING CONDITIONS

While not working as a licensed airframe and powerplant mechanic, the physical condition of the property described herein was based upon visual evaluation by the appraiser/inspector as an audit was conducted. No responsibility is assumed for latent defects of any nature whatsoever, which may affect its value, nor for any expertise require disclosing such conditions.

No consideration has been given to any liens or encumbrances, which may be held against the aircraft appraised.

No investigation of legal fee or title to the property has been made and the claim to the property has been assumed to be valid.

Neither the appraiser nor any officer or employee of VREF has any financial interest in the property appraised.

All opinions regarding the values are the appraiser's considered opinions based upon the facts and data set forth in this report.

This appraisal is based upon Current Fair Market Value as defined in the "Valuation Methodology Terms & Definitions" Section of this report.

This aircraft appraisal does not constitute a pre-purchase or technical evaluation. Power plant serial numbers will not be physically verified during our audit. No access panels or plates were removed for internal examination.

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

The Current Fair Market Value approach valuation concept used in this report is one chosen and recommended by VREF. The appraisal is purchased in order to allow an opinion of value under an assumed set of circumstances as described in the scope of work, as requested and mutually agreed upon by the client and VREF.

This valuation study has been made by VREF and will be kept confidential and shall not be disclosed to any third party unless any such disclosure is previously authorized in writing by VREF. It has been prepared by an experienced appraiser and is based on information, where possible, from manufacturers, sales comps, dealers, brokers, etc. The analysis and final conclusion is arrived at from many years of experience in the sale and appraisal of aircraft.

For all areas of this appraisal, the assigned values represent the amount a reputable and qualified ASA accredited appraiser, unaffected by personal interest, bias or prejudice, would recommend



to a prospective purchaser as a proper price or cost within the value concept and in light of prevailing conditions.

We reserve the right to include your company/firm name in our client list, but we will maintain the confidentiality of all conversations, documents provided to us, and the contents of our reports, subject to legal or administrative process or proceedings. These conditions can only be modified by written documents executed by both parties.

This appraisal has been prepared in conformity with the Principles of Appraisal Practice and Code of Ethics of the American Society of Appraisers and the Uniform Standards of Professional Appraisal Practice.

**VREF Field Audit Conditions ( if performed):**

Only current maintenance, overhaul, repair and records/documentation for the subject aircraft/asset are reviewed. A limited review of the historical maintenance, overhaul, repair records/documentation for the subject aircraft/asset; is audited if that aircraft/asset has been in operation over five years from the date of the appraisal. Powerplant serial numbers will not be physically verified during our audit/evaluation.

Aircraft/assets with maintenance overhaul, repair records/documentations recorded in any language other than English (the ICAO recognized aviation standard) will not be translated or reviewed by VREF. VREF will not reconstruct lost or destroyed records. However, if reconstruction is required, (it is not possible to determine reconstruction time), please allow 8-12 months. Additionally, an historical research on the complete FAA File on FAA Form 337's (major repair and alteration) will not be conducted unless specifically required by individual requesting the valuation. If this research is requested, a 45-60 days' time frame allowance will be required for completion of valuation assignment.

Damage diminution is a very subjective concept in the aviation market. Even though most experts confirm its role in negotiating the purchase or sale of an aircraft, there is no specific technique or principles that can be applied in every case of diminution. This aircraft characteristic (damage) is one of the multitudes used during the negotiating process and is very hard to isolate its effects because every airplane has a different history and a different perception of worth. In transactions, the buyer will always be the final judge of the "value" of the aircraft including the diminution factor in his or her evaluation. As the aircraft continues to mature over time, additional evaluations, calendar time, hours, and landings will tend to lessen the overall impact of a damage incident.

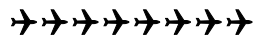
VREF will conduct an extremely limited analysis/review of any damage in our valuation analysis. A complete detail evaluation may be required. This evaluation/technical assessment can take 30-60 days and will require additional compensation.



VREF and **Public Service Electric & Gas & Mr. Jason Houser** hereby agree, that in the event it becomes necessary for either party to institute legal proceedings with respect to any of the parties' obligations with regard to this matter, whether contractual or otherwise, the parties hereby agree to submit any such dispute in its entirety to binding arbitration, conducted by and under the rules and regulations of the American Arbitration Association, as their sole means of resolving the dispute between them, rather than institute any legal proceedings in any Federal District Court or any State Court in any State and is limited and may not in any event, exceed the amount paid for the appraisal.

VREF and **Public Service Electric & Gas & Mr. Jason Houser** also agree that in the event of any donation between the parties, each party hereby waives a trial by jury. The only exception being in the event one of the parties has filed a petition in bankruptcy, then and in that event, the sole forum shall be the Federal District Bankruptcy Court where the bankruptcy petition has been filed.

VREF and **Public Service Electric & Gas & Mr. Jason Houser** also agree that in the event of a donation or sale including any arbitration between the parties (hereinafter "Purchase, resale and/or financing") the prevailing party in any such donation or sale shall be entitled to its costs and reasonable attorneys' fees from the non-prevailing party.







## VALUATION METHODOLOGY TERMS & DEFINITIONS

### GLOSSARY OF VALUATION TERMS AND DEFINITIONS AS USED IN THIS REPORT

**Age/Life Analysis** is an arithmetic process used to calculate a property expired life and/or remaining useful life.

**Appraisal Date** is the specific date to which the values contained within an appraisal apply.

**Asset** is property of all kinds, both tangible and intangible.

**Average Life** is the normally expected life of a property.

**Average Remaining Life** is the average remaining term of service for asset(s) under investigation, usually expressed in years.

**Base Aircraft** is the standard list of equipment and systems installed by the OEM including avionics, props, engines, landing gear, floorplan.

**Base Value** is an open, unrestricted, stable market environment with a reasonable balance of supply and demand and assumes consideration of its "highest and best use".

**Book Value** is the capitalized cost of an asset less the depreciation taken for financial reporting.

**Chronological Age** is the number of years elapsed since an asset of property was originally built.

**Cost Approach** is one of the three recognized approaches used in appraisal analysis. This approach is based on the proposition that the informed purchaser would pay no more for a property than the cost of producing a substitute property with the same utility as the subject property. It considers that the maximum value of a property to a knowledgeable buyer would be the amount currently required to construct or purchase a new asset of equal utility. When the subject asset is not new, the current cost new for the subject must be adjusted for all forms of depreciation and obsolescence as of the date of the appraisal.

**Market Value** is the price at which the property would change hands between a willing buyer and a willing seller, neither being under any compulsion to buy or sell and both having reasonable knowledge of relevant facts. (Treasury Regulation Sec. 20.2031-1[b])

The components of this concept are:

1. Price at which property would change hands
2. Between a willing buyer and willing seller
3. Neither party under compulsion to buy or sell
4. Both parties having reasonable knowledge of all relevant facts as the valuation date.
5. The sale is made to the ultimate consumer in the appropriate market level.

**Depreciation (Accounting)** is the mathematical procedure for recovering the original cost of an asset in consistent installments over a specific period.

**Depreciation (Accumulated)** is an account in which depreciation provisions are recorded and totaled: the total depreciation accrued to a given date.

**Depreciation (Appraisal)** is the actual loss in value of a property from all causes including those resulting from physical deterioration, functional obsolescence, and economic obsolescence.

**Desktop Appraisal** is an analysis of the subject aircraft that is predicated on client-supplied information. The appraiser does not physically survey the aircraft or equipment subject to the report. The desktop appraisal can be a complete or restricted report.

**Economic Obsolescence** is a form of depreciation or loss in value caused by unfavorable external conditions.



**Economic Useful Life** is the estimated period of time over which it is anticipated an asset may be profitably used for the purpose for which it was intended. This time span may be limited by changing factors of obsolescence and/or physical life.

**Effective Age** is the apparent age of an asset in comparison which a new asset of like kind. It is often calculated by deducting the Remaining Useful Life of an asset from the Normal Useful Life.

**Estimated Remaining Life** is the period over which an asset or groups of assets are estimated to remain in use (also known as *estimated remaining useful life*).

**Fixed Assets** are permanent properties synonymous with "capital assets," usually consisting of land, buildings, machinery, and equipment permanently employed in the rendering of a service or the production of a product.

**Forced Liquidation Value** is the estimated gross amount expressed in terms of money that could be typically realized from a property advertised and conducted public sale, with the seller being compelled to sell, as of a specific date, with a sense of immediacy on an as-is/where-is basis, without regard to the relevant marketplace.

**Functional Obsolescence** is a form of depreciation in which the loss in value is due to factors inherent in the property itself and changes in design, materials, or process resulting in inadequacy, over capacity, excess construction, lack of functional utility, excess operating costs, etc.

**Future Market Values (Prospective)**

The most probable price in terms of cash, or other precisely revealed terms, for which the property would change hands under required and limiting conditions in an orderly manner, generally advertised, with reasonable time constraints, in an appropriate and relevant marketplace, with knowledge buyers on an as is, where is bases.

**Historical Cost** is the initial capitalized cost of an asset at the time it was first put into service.

**Hypothetical Condition** is contrary to what exists but is supposed for the purpose of analysis. Hypothetical conditions assume conditions contrary to known facts about physical, legal, or economic characteristics of the subject property; or about conditions external to the property, such as market conditions or trends; or about the integrity of data used in an analysis.

**Income Approach** is one of the three recognized approaches used in appraisal analysis. This approach considers value in relation to the present worth of future benefits derived from ownership and is usually measured through the capitalization of a specific level of income.

**Insurable Value** is the value of that portion of a property covered by insurance in accordance with the terms of the insurance policy or other agreement.

**Insurable Value Depreciated** is the insurance replacement cost less accrued depreciation considered for insurance purposes, as of a specific date and as defined in the insurance policy or other agreement.

**Insurable Replacement Cost New** is the replacement cost new as defined in the insurance policy less the cost new of the items specifically excluded in the policy, as of a specific date.

**Market or Sales Comparison Approach** is one of the three recognized approaches used in appraisal analysis; this approach involves the collection of market data pertaining to the subject assets being appraised. This approach is also known as the "Comparison Sales Approach". The primary intent of the market approach is to determine the desirability of the assets through recent sales or offerings of similar assets currently on the market in order to arrive at an indication of the most probable selling price for the assets being appraised. If the comparable sales are not exactly similar to the asset being appraised, adjustments must be made to bring them as closely in line as possible with the subject property.

**Market Value** is similar to Current Fair Market Value except that the provision for lack of compulsion to buy or sell is removed and the assumption of a sale within a specified time frame is added. The federally accepted definition of Market Value as stated in the Definition Section of *USPAP* is as follows: 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

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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.

**Mid-Life** is the half way point and the amount of time left on an engine or powerplant indicating there is 50% (Fifty Percent) time remaining to an Overhaul.

**Normal Useful Life** is the life, usually in terms of years, that an asset will endure before it deteriorates to an unusable condition. It is derived from mortality data and the study of specific assets under actual operating conditions. (See Economic Life)

**Orderly Liquidation Value** is the estimated gross amount expressed in terms of money, which could be typically realized from a sale, as of a specific date, given a reasonable period of time to find a purchaser(s), with the seller being compelled to sell on an as-is/where-is basis, in an appropriate and relevant marketplace with knowledgeable buyers.

**Original Cost** is the initial capitalized cost of the asset in hands of its present owner.

**Overhaul** is a major maintenance event and is the complete disassembly of an engine, evaluation, repairs as necessary, reassembly, testing, and approval for return to service within the fits and limits specified by the manufacturer's **overhaul** data.

**Physical Deterioration** is a form of depreciation where the loss in value or usefulness of an asset is attributable solely to physical causes such as wear and tear and exposure to the elements.

**Price** is the amount or cost of an asset. (Not necessarily equal to value.)

**Property** is the lawful right of ownership of future benefits from tangible and intangible assets. Any asset including cash, in which the title is ordinarily transferable between parties.

**Prospective Value** is the analysis of market trends to provide support for forecasted income and expense or sell-out opinions, absorption periods, capitalization rates and discount rates as of the effective date of the appraisal. Economic trends such as growth in population, employment and future competition is analyzed.

**Reconciliation** is the process by which the appraiser evaluates, chooses and selects from among alternative conclusions to reach a final value estimate.

**Remaining Economic Life** is the estimated period, usually expressed in terms of year, during which property will continue to contribute value.

**Remaining Useful Life** is the remaining physical life of the asset. It is calculated by deducting the effective age of the asset from the normal useful life.

**Replacement Cost (New)** is the current cost, new, or a similar new property having the nearest equivalent utility as the property being appraised.

**Reproduction Cost (New)** is the current cost of reproducing a new replica of a property with the same or closely similar materials.

**Residual Value** in connection with a tangible asset, it is the term, which refers to the value of an asset after expiration of its normal useful life.

**Residual Value (Accounting)** is the estimated net scrap, salvage, or trade-in value of a tangible asset at the estimated date of disposal; also called salvage value or disposal value.

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**Residual Value (Forecast)** is the estimated Current Fair Market Value in exchange as of a future date with no consideration given to the effects of inflation or deflation measured from the appraisal date; assuming the aircraft is in good condition and will continue to be maintained in good operating condition with normal preventive maintenance; and assuming the market for used aircraft of the nature at the future date will not reflect unusual conditions of supply and demand.

**Residual Value (Lease)** is the value of the leased equipment at the conclusion of the lease term. To qualify the lease as a "true lease" for tax purposes, the estimated residual value of the leased equipment at the end of the lease term must equal at least 20 percent of the original cost of the equipment, without regard to inflation. (However, the lessor is not required to book any residual for financial accounting purposes.

**Salvage Value** is the estimated amount, expressed in terms of money that may be expected for the whole property or a component of the whole property that is retired from service for use elsewhere.

**Scrap Value** is the estimated amount, expressed in terms of money, that could be realized for the property, as of a specific date, if it were sold for its material content not for a productive use.

**Tangible Assets** are any physical properties such as land, building, machinery and equipment.

**Useful Life** is the period of time over which property may reasonably be expected to perform the function for which it was designed.

**Value** is the amount, relative worth, utility, or importance of an asset (not necessarily equal to price or cost).

#### **The Sales Comparison Approach "Valuation Methodology"**

**USPAP (Uniform Standards of Professional Appraisal Practice) endorsed by ASA (American Society of Appraisers – Machinery & Technical Specialties – Aircraft:**

#### **VALUE: What is it worth?**

Value= supply, demand, condition – Value can be thought of as the sum total of quality, physical condition, maintenance status/history, and age/component times/cycles.

#### **OBSOLESCENCE FACTORS**

- Technological Obsolescence is impairment of desirability arising from rapid change of technology and process
- Functional Obsolescence is loss in value due to functional capacity or efficiency issues.
- Economic Obsolescence is loss in value due to external influence.
- Physical Deterioration is a form of depreciation where the loss in value or usefulness of an asset is attributable solely to physical causes such as wear and tear and exposure to the elements

The aircraft appraiser uses the sales comparison approach to indicate value by analyzing recent sales (or offering prices) of properties that are similar (i.e., comparable) to the subject property. If the comparable's are not exactly like the properties being appraised, the selling prices of the comparable's are adjusted to equate them to the characteristics of the properties being appraised. The basic procedure is to gather data on sales and offerings of similar aircraft, determine their comparability to the subject property, determine the appropriate units of comparison, collect and array the data, analyze and adjust the data, and apply the results to the subject. Like the cost and income approaches, the sales comparison assumes that the informed purchaser would pay no more for a property than the cost of acquiring a comparable property with the same utility.

This approach focuses on the actions of actual buyers and sellers. In theory, the approach measures the loss in value from all forms of appraisal depreciation that are inherent in the individual aircraft, assuming appropriate adjustments are made to the comparable's to reflect differences between them and the subject.

The used market is an established means of buying and selling aircraft. The used market consists of used aircraft dealers, auctions, and public and private sales, and is usually the most reliable method of determining certain types of value for certain types of aircraft.



The sales comparison approach is most reliable when there is an aircraft market providing a sufficient number of sales of comparable aircraft that can be independently verified through reliable sources. The important concepts are "active market" and "verifiable/reliable information." An active market has truly independent transactions occurring under free market conditions. When researching market sales, the appraiser should verify that the sales are independent rather than being conducted by one seller or buyer (the latter situation could create a false appearance of an active market). There is no set number of sales that make a market.

### **Comparable Sales and Adjustments**

Recent sales of aircraft *identical* to the subject often cannot be found. If so, it is necessary to find sales of aircraft providing comparable or equivalent utility. It should be understood that "comparable's" would often be just that: comparable but not identical to the subject.

If the comparable sale is not identical to the subject, the selling price of the comparable must be adjusted to indicate what the selling price of the comparable would have been if the comparable had been identical to the subject. The appraiser should remember that adjustments are made to the comparable's, not to the subject property. Adjustments are made for difference between the comparable's and subject's condition, aircraft times, cycles, specification, effective age, date of sale, circumstances of sale (level of trade or to a dealer, "as-is, where-is" condition, etc.), location environmental compliance, safety compliance, and other factors that would have affected the sale price of the comparable.

When adjusting a comparable sale, the appraiser is determining how much more or how much less the comparable would have sold for if it had been identical to the subject in a given single characteristics, such as effective age. For example, if the comparable's effective age was ten years, compared to the subject's effective age of five years, the appraiser would normally make an upward adjustment to the comparable's actual selling price (i.e., increase the comparable's selling price) to reflect the appraiser's opinion of what the comparable's selling price would have been if its effective age (when it sold) was five years instead of its actual effective age of ten years.

Comparable sales are not the only value indicators an appraiser may use. Current offerings or listings may also be considered.

In and of itself, the number of comparable aircraft that are currently available in the used market may have a bearing on the value of the subject. If many comparable's are being offered for sale, prices may be depressed and there may be little demand for the subject property.

The appraiser should be familiar with the market applicable to the subject aircraft. This market may be local, regional, national, or in some instances international. The international market requires consideration when older aircraft are sold to operators in developing countries. Aircraft that is obsolete or unable to be operated competitively in the United States may be profitably used in developing economics where there is lower labor, raw material, or other costs.

### **Appraisal Method (Aircraft)**

Market value is defined as the estimated amount at which the aircraft might exchange between a willing buyer and a willing seller, neither being under compulsion and each having knowledge of all relevant facts.

The market value of an aircraft can be determined through the comparable appraisal method. This approach is based upon the premise that an informed buyer would pay no more for an aircraft than the cost of a comparable one. Actual sales prices are used to establish the value of a hypothetical aircraft, like the one under review. However actual sales data is extremely confidential and very difficult to obtain, especially the truth and actual price. The degree of similarity between each aircraft actually sold, and the hypothetical aircraft, determines the weight given to each sale. Assumptions regarding the configuration, condition and status of the hypothetical aircraft are developed and presented. Although there are no mathematical formulas for calculating hypothetical value, it is not a guess or an unsupported estimate. Hypothetical aircraft value is qualified by weighing all relevant and factual comparable sales data. Adjustments are then made to the hypothetical value to determine the market value of the aircraft under review. These adjustments are based upon the configuration, condition, status and history of the aircraft, as revealed by evaluation of the aircraft and its maintenance records. This procedure was used in every valuation conducted by VREF.

Certain commercial firms publish aircraft guides, or bluebooks, which contain opinions (a representative average value) on typical prices. These reference books are useful in many ways, but their opinions (a representative average value) on values are not based upon actual and identifiable sales. The most accurate bases for an aircraft market value are comparable sales offering, including aircraft serial number, the date of sale, specific status, the seller, the buyer, and the actual price paid.

Public Service Electric & Gas & Mr. Jason Houser/ VREF20-530F-0146FF/Effective Date: July 21, 2020

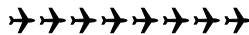


The *VREF Aircraft Value Reference* is designed and developed as a service for the purchasers thereof to assist them in arriving at the market value of the aircraft listed herein but is intended only as a guide and is not to be considered to reflect all factors involved in the appraisal process of any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

The information herein is prepared from many sources, is edited, and believed to be correct. The publishers do not warrant the accuracy of the source material and assume no responsibility to any person or person in connection with the use of this guide. In case of error or omission, the liability of the company, if any, is limited and may not, in any event, exceed the amount paid for the service during the period covered by the guide in which the error or omission occurred.

Actual sales should be used in estimating the base value of a Real aircraft. Assumptions regarding the status and configuration of the subject aircraft are made. Information regarding transaction dates, serial numbers, and the parties involved should be obtained from the FAA registry branch Oklahoma City, if obtainable. Sales prices should be obtained directly from the principals involved, or other reliable sources. Sources that provide current market offering are obtained and updated daily by Jetnet and AMSTAT Corporation (Market Scan of aircraft for sale).

Appraisal points relative to any aircraft require that it have original logs maintenance records, excellent paint and interior and minor insignificant damage history. In addition, an aircraft should be no more than six months out of an annual evaluation and/or have recently completed a phase or progressive maintenance event and be in compliance with all Airworthiness Directives and mandatory service bulletins. The engine times remaining should be of an acceptable and established limit, which is, generally speaking, mid-time on most aircraft, but could possibly vary from aircraft to aircraft.





## USPAP CERTIFICATION STATEMENT

Appraisal Report # VREF20-530F-0146FF

Effective Date of Report: July 21, 2020

Report Prepared on July 21, 2020

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 analyses, opinion, and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, impartial, unbiased professional analyses, 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 analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice.
- H. I have not made a personal examination of 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 not performed services as an appraiser regarding the property that is the subject of this report within the three-year period immediately preceding agreeing to perform this assignment.
- K. Because of the appraiser's background, experience, education and membership in professional associations, the appraiser is qualified to make appraisals of the type of property being valued.
- L. This appraiser understands that a substantial or gross valuation misstatement resulting from an appraisal that the appraiser knows, or reasonably should have known, would be used in connection with an IRS tax return or claim for refund, may subject the appraiser to a civil penalty under IRS IRC 6695A.
- M. Photographs included in this report are taken at random or may be from other sources and may or may not include all of those processed. Some photographs may be of poor quality and/or insignificant to the study. Some photographs are used for recall in correlation work. The selected photographs are an additional effort when included in the formal report and, unless otherwise noted, there are no requested criteria for those selected by the appraiser.
- N. This valuation study has been made by Jason Zilberbrand, ASA, CAA, ISA AM, AOA AM, MRAs and it will be held confidential by both he and VREF. It has been prepared by an experienced appraiser and is based on information gained where possible, from brokers, sales comparables, dealers, etc. The analysis and final conclusion are arrived at from many years of experience in the appraisal, sales, operation, and maintenance of aircraft. The final form of this report is made possible by omitting many details used in estimating, yet not considered essential to the submitted report. Due to the complexities and variables required on the many individual component items of fixed assets, itemized values of components become the guideline for justification rather than individual summaries for each conclusion.
- O. The writer of this report reserves the right to recall all copies of this report to correct any omission or error.
- P. The American Society of Appraisers (ASA) has mandatory recertification programs for members. I am in compliance with these programs.
- Q. Jason Zilberbrand, ASA (117197) is an accredited senior appraiser of the American Society of Appraisers in the Machinery and Technical specialties (Aircraft). The society (ASA) has a mandatory education/recertification program for designation (senior and accredited members). I am in compliance with that program.

Date: July 21, 2020

**Jason Zilberbrand, ASA, CAA, ISA AM, AOA AM, MRAs**  
**VREF PRESIDENT**

Accredited Senior Appraiser  
Machinery and Technical Specialties (Aircraft)  
American Society of Appraisers



Public Service Electric & Gas & Mr. Jason Houser/ VREF20-530F-0146FF/Effective Date: July 21, 2020





## PHOTOGRAPHS/APPENDIX

REGISTRATION NOT TRANSFERABLE		
UNITED STATES OF AMERICA DEPARTMENT OF TRANSPORTATION - FEDERAL AVIATION ADMINISTRATION CERTIFICATE OF AIRCRAFT REGISTRATION		This certificate must be in the aircraft when operated.
NATIONALITY AND REGISTRATION MARKS <b>N 532EZ</b>	AIRCRAFT SERIAL NO. <b>0146FF</b>	
MANUFACTURER AND MANUFACTURER'S DESIGNATION OF AIRCRAFT <b>MD HELICOPTERS INC 369FF</b>		
ICAO Aircraft Address Code: <b>51534127</b>		
I S S U E D  T O	PSE&G 4000 HADLEY RD S PLAINFIELD NJ 07080-1124	This certificate is issued for registration purposes only and is not a certificate of title. The Federal Aviation Administration does not determine rights of ownership as between private persons.
	Corporation	
It is certified that the above described aircraft has been entered on the register of the Federal Aviation Administration, United States of America, in accordance with the Convention on International Civil Aviation dated December 7, 1944, and with Title 49, United States Code, and regulations issued thereunder.		
DATE OF ISSUE	January 31, 2008	 U.S. Department of Transportation Federal Aviation Administration
EXPIRATION DATE	April 30, 2022	
AC Form 8050-3 (10/2010) Supersedes previous editions		 ACTING ADMINISTRATOR





UNITED STATES OF AMERICA DEPARTMENT OF TRANSPORTATION—FEDERAL AVIATION ADMINISTRATION			
STANDARD AIRWORTHINESS CERTIFICATE			
1 NATIONALITY AND REGISTRATION MARKS	2 MANUFACTURER AND MODEL	3 AIRCRAFT SERIAL NUMBER	4 CATEGORY
N532EZ	MD Helicopters Inc. Model 369FF	0146FF	Normal
5 AUTHORITY AND BASIS FOR ISSUANCE			
<p>This airworthiness certificate is issued pursuant to the Federal Aviation Act of 1958 and certifies that, as of the date of issuance, the aircraft to which issued has been inspected and found to conform to the type certificate therefor, to be in condition for safe operation, and has been shown to meet the requirements of the applicable comprehensive and detailed airworthiness code as provided by Annex 8 to the Convention on International Civil Aviation, except as noted herein.</p> <p>Exceptions:</p> <p style="text-align: center;">NONE</p>			
6 TERMS AND CONDITIONS			
<p>Unless sooner surrendered, suspended, revoked, or a termination date is otherwise established by the Administrator, this airworthiness certificate is effective as long as the maintenance, preventative maintenance, and alterations are performed in accordance with Parts 21, 43, and 91 of the Federal Aviation Regulations, as appropriate, and the aircraft is registered in the United States.</p>			
DATE OF ISSUANCE	FAA REPRESENTATIVE	DESIGNATION NUMBER	
R-11/01/2006	DARYL K. FORTNER	AEA-FSDO-17	
<p>Any alteration, reproduction, or misuse of this certificate may be punishable by a fine not exceeding \$1,000, or imprisonment not exceeding 3 years, or both. THIS CERTIFICATE MUST BE DISPLAYED IN THE AIRCRAFT IN ACCORDANCE WITH APPLICABLE FEDERAL AVIATION REGULATIONS.</p>			
FAA Form 8100-2 (8-62)		☆ U.S. GOVERNMENT PRINTING OFFICE: 1991 - 668-228	















































































**American Society of Appraisers**  
**Principle of Appraisal Practice and Code of Ethics**

In a Society which not only permits but also encourages the private ownership of productive property and one which also engages in large and multitudinous public works, there appears, on every hand, a necessity for the appraisal of property. In fact, property appraisals are used throughout the economic, governmental, legal and social activities of such a society.

As the vocation of property appraisal has developed during past decades from a business occupation into a professional, certain concepts have emerged and become clear. The word "property" is now given to physical things and also to the legal rights of ownership of tangible or intangible entities. Appraising is now considered to encompass three classes of operations, namely,

1. The estimation of the cost of producing or replacing physical property.
2. The forecasting of the monetary earning power of certain classes of property.
3. The valuation or determination of the worth of property.

The American Society of Appraisers occupies a unique position among professional appraisal societies in that it recognizes and is concerned with all classes of property: real, personal, tangible, and intangible, including real estate, machinery and equipment, buildings and other structures, furnishings, works of art, natural resources, public utilities, gems and jewelry, investment securities, and so forth. It is also unique in that it recognizes the threefold character of the appraisal function.

In recognizing the need for the highest professional competence among appraisers, the American Society of Appraisers actively supports recognized institutions of higher learning in their scholastic programs, which are designed to provide the necessary academic background to both appraiser aspirants and to the qualified professionals who desire to update and broaden their professional skills.

The necessity for a set of authoritative principles and a code of professional ethics, broad enough to cover all classes of property as well as the complexities of the various appraisal procedures, is a pressing one. Previous statements of principles have dealt almost exclusively with real estate. Existing codes of ethics are, in large measure, couched in such general moralistic terms that they are impractical for specific application.

Violation of any provision or rule of the Code should not give rise to a civil cause of action and should not create any presumption or evidence that a legal duty has been breached nor should it create any special relationship between the appraiser or any other person. This Code is designed to provide guidance to appraisers and to provide a structure for regulating conduct of members of the ASA through disciplinary actions. Violations of the Code are not designed or intended to be the basis of any civil liability. (January 1990)

To meet the need for a comprehensive set of guideposts and for a specific code of ethics, the Society has prepared and presents herewith The Principles of Appraisal Practice and Code of Ethics of the American Society of Appraisers.

American Society of Appraisers  
Authorized June 30, 1968  
Revised December 1995



**Uniform Standards of Professional Appraisal Practice (USPAP)**  
**Appraisal Standards Board of The Appraisal Foundation**

The Appraisal Standards Board (ASB) of The Appraisal Foundation develops, publishes, interprets and amends the *Uniform Standards of Professional Appraisal Practice* (USPAP) on behalf of appraisers and users of appraisal services. Because state and federal regulatory agencies and others will use USPAP, the ASB has adopted a publication policy to ensure that everyone is informed of interpretations of or amendments to USPAP in a regular and timely manner.

**Origin and History of USPAP**

The Appraisal Foundation bases these Standards on the original Uniform Standards of Professional Appraisal Practice developed in 1986-87 by the Ad Hoc Committee on Uniform Standards and copyrighted in 1987. Prior to the establishment of the ASB in 1989, USPAP had been adopted by major appraisal organizations in North America and had become recognized as the generally accepted standards of appraisal practice.

At its organizational meeting on January 30, 1989, the ASB unanimously approved and adopted the original USPAP as the initial appraisal standards promulgated by the ASB. USPAP may be altered, amended, interpreted, supplemented, or repealed by the ASB after exposure to the appraisal profession, users of appraisal services, and the public in accordance with established rules of procedure.

The purpose of these Standards is to establish requirements for professional appraisal practice, which includes appraisal, appraisal review, and consulting, as defined. The intent of these Standards is to promote and maintain a high level of public trust in professional appraisal practice.

These Standards are for appraisers and users of appraisal services. To maintain a high level of professional practice, appraisers observe these Standards. However, these Standards do not in themselves establish which individuals or assignments must comply; neither The Appraisal Foundation nor its Appraisal Standards Board is a government entity with the power to make, judge, or enforce law. Individuals comply with these Standards either by choice or by requirement placed upon them, or upon the service they provide, by law, regulation, or agreement with the client or intended users to comply.

It is essential that professional appraisers develop and communicate their analyses, opinions, and conclusions to intended users of their services in a manner that is meaningful and not misleading. This *Uniform Standards of Professional Appraisal Practice* (USPAP) reflects the current standards of the appraisal profession.

The importance of the role of the appraiser places ethical obligations on those who serve in this capacity. These Standards include explanatory Comments and begin with an ETHICS RULE setting forth the requirements for integrity, impartiality, objectivity, independent judgment, and ethical conduct. In addition, these Standards include a COMPETENCY RULE that places an immediate responsibility on the appraiser prior to acceptance of an assignment as well as during the performance of an assignment. DEFINITIONS applicable to these Standards are also included. The Standards contain binding requirements.

## Curriculum Vitae

### **JASON ZILBERBRAND, ASA, CAA, ISA AM, AOA AM, MRAeS**

USPAP Compliant  
Accredited Senior Appraiser  
Machinery and Technical Specialties (Aircraft)  
American Society of Appraisers



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1411 McHenry Road  
Suite 125  
Buffalo Grove, IL 60089 USA

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Mobile: 312.961.0934  
Email: [Jason@VREF.com](mailto:Jason@VREF.com)  
Website: [www.VREF.com](http://www.VREF.com)

### **Summary of Expertise:**

26 years as an aviation professional, Senior Accredited Aircraft Appraiser with the American Society of Appraisers (ASA), Senior Accredited Aircraft Appraiser with the International Society of Appraisers (ISA), Senior Accredited Aircraft Appraiser with the Association of Online Appraisers (AOA), Senior Accredited Aircraft Appraiser with the Appraisers National Association (ANA), aircraft broker, inventorying dealer, acquisition agent, aircraft owner, aircraft operator, contract negotiator, consultant, teacher, conference speaker, and author. He has **qualified as an expert witness in Federal and State Court**. He has 15 years' experience as an inventory aircraft dealer with a 300-million-dollar credit facility, and over 4.5 billion in aircraft transactions. He is a Member of the Royal Aeronautical Society, as well as a Board Member of the American Society of Appraisers Chicago Chapter 033 and GLADA. He frequently performs appraisal reviews, peer reviews related to aircraft appraisal. Works internationally with numerous foreign cultures. Teaching experience includes ASA ME201 training for MTS aircraft appraisers. Appraisal experience includes over 600 appraisals on aircraft ranging from light sport through commercial airliners. Experience in Airbus, Bombardier, Gulfstream, Dassault, Cessna, Pilatus, Beechcraft, Honda Jet, King Air's, Lear Jet, Embraer, Eclipse, Boeing, Piper, Mooney, Tecnam, Icon, Diamond and Cirrus. Experience includes legal cases involving breach of contract, fraud, misrepresentation in aircraft purchases and diminution of value.

Areas of aviation expertise include:

- Business and commercial aviation transactions
  - standards & practices
- Breach of contract disputes
- Corporate breach of contract
- Back to back disputes
  - standards & practices
- Agent agreements
- Lease agreements
- Aircraft valuation, valuation standards, personal property appraisal, USPAP 7 & 8 standards
- Aircraft diminution of value, post-accident damage, insurance claims
- Aircraft Depreciation, historical depreciation
- Engine maintenance programs, Airframe Maintenance Programs, Power by the hour programs contracts, standards & practices
- Turbine engine preservation and storage
- Statistical analysis of aircraft values
- Aircraft resale, aircraft import/export
- Pre-buy evaluation oversight
- Aircraft purchase ownership structure

## **EMPLOYMENT HISTORY**

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**VREF Aircraft Value Reference & Appraisal Services**  
President and CTO

2018 –

- Oversee all day-to-day operations.
- Manages all software development and implementation.
- Manages marketing and new business development.
- Website management, social media management, SEO/SEM Management.
- Oversee data analytics, data mining, and research.
- Complete Aircraft Appraisals for all aircraft types.
- Oversee staff appraisal work and research.
- Work directly with Aircraft Manufacturers, Banks, Lenders, NetJets, and Fortune 100 clients.

- Assist clients with aircraft acquisition guidance.
- Oversee and consult with clients on aircraft purchase, pre-buy evaluations and agreements.
- Assist in new aircraft ordering and contract negotiations.
- Teach appraisal methodology to staff and vendors.
- Develop and evaluate new formulas and methods for high time aircraft.
- Develop damage history and corrosion guidelines for valuing aircraft.
- Evaluate aircraft and Compile valuation data.
- Consult to counsel on aviation agreement disputes and related litigation.
- Author blogs, white papers, articles, webinars.
- Present at international aviation events, conferences, seminars and continuing education seminars.

### **Aurum Jets**

2014 – 2018

#### **President**

- Directed all aspects of company with 8 employees and successfully opened multiple international offices in Russia, Ukraine and India. Completed over \$50M in inventory purchases and sales.
- Completed over \$1 Billion in Brokered Pre-Owned aircraft sales
- Speaking Engagement at the Russian Business Aviation Forum in Moscow Russia 2014 and 2015
- Managed all foreign government clients, and completed over two-dozen transactions involving distressed, repossessed or unairworthy assets. Completed hundreds of appraisals on numerous aircraft types.
- Active member of the aviation community with a specialty in valuation and market forecasting.
- Created numerous Trusts, and LLC's for aircraft purchase and strategic estate planning.

### **The Jet Collection**

2004 – 2014

#### **President**

- Directed all aspects of company with 10 employees and \$5M in annual net revenue as broker and dealer of aircraft with more than \$2B in inventory.
- Brokered over \$3 Billion in total aircraft sales both new and pre-owned.
- Tomb Stone recipient from National City Commercial Capital Company (NC4) for three transactions: Falcon 7X total gross profit \$17,059,000, Global Express XRS total gross profit \$10,000,000 and Global Express XRS 2 total gross profit \$10,000,000.
- Overcame challenges such as economic downturns.



- Gained in-depth knowledge of running an international company; applied moral and ethical attributes to management of business in industry facing numerous obstacles.
- Managed appraisals, pre-purchase inspections and contract negotiations.
- Oversaw effective branding of company, including marketing, advertising, and website design, introducing strategy that increased revenue 40%.
- Built international sales team with representatives in Turkey, Russia, India, France, Germany, UK, China, South America, Mexico, and Canada. Emphasized knowledge of aviation, culture, and language.
- Identified key qualifications in employees, including self-motivation, communication, and professionalism to build solid sales team with excellent closing skills.
- Coached and trained sales team in one-on-one sessions to improve sales skills and build knowledge of aviation market.
- Owned and operated personal business jet and had numerous aircraft in operation on short term lease.

### **Jet Support Services Inc. (JSSI)**

1994 – 2004

Vice President, Sales

- Built thriving territory consisting of 25 states for largest independent provider of hourly cost maintenance programs for turbine-powered aircraft; \$200M revenue, 50 employees, and 250 new enrollments annually.
- Gained substantial sales experience and confidence. Earned rank of #1 representative, selling intangible assets with long lead times.
- Exceeded sales quota of 20 new enrollments annually from cold calls.
- Employed persistence over 5 years to close General Motors, leading to enrollments with Volkswagen, Ford, and Chrysler. Closed 80% of Detroit companies such as Compuware, Delphi, Federal Mogul, Steelcase, Whirlpool, US Bank, Fleet Bank, Provident Bank, Cardinal Health, Wendy's, Johnson Controls, Altria.
- Expanded aviation knowledge, gaining invaluable insight into industry from maintenance to operations in order to competently interact with targeted clients.

## **EDUCATION**

**B.A., Psychology**, Roosevelt University, Chicago, Illinois, 1999

Minor: Quantitative Statistics

National Dean's List -GPA: 4.0-

## CERTIFICATES AND CERTIFICATION

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1. **American Society of Appraisers Accredited Senior Appraiser MTS group.**
2. **International Society of Appraisers Accredited Member.**
3. **Association of Online Appraisers Accredited Member.**
4. **Appraisers National Association Accredited Member.**
5. **USPAP** compliant through February 2021
6. **ME201, ME202, ME203 and ME204** 120 hours completed 3/2019
7. **SEAK conference Expert Witness Training** 4/19

## RECENT PUBLICATIONS

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- Published 2020/02/03 Why the Piston Aircraft Makes Good Business Sense
- Published 2020/02/03 A Step-By-Step Guide to Walk You Through the Process of Obtaining an Airplane Loan
- Published 2020/01/28 Always Listening: 4 Facts You Never Knew About the Black Box
- Published 2020/01/21 Who Needs A Captain: 5 Celebrities Who are Also
- Published 2020/01/21 What is Fractional Jet Ownership? A Definitive Guide To Everything You Need to
- Published 2020/01/21 Out With The Old, In With The New: 5 Big Tips For Selling Your Jet Before Buying A New One
- Published 2020/01/10 5 Tips For Buying Antique Airplanes
- Published 2020/01/024 Things You Should Know If You Dream of Buying a Fighter Jet
- Published 2019/12/23 Flying High Class: 5 of the Most Expensive Aircraft In the World
- Published 2019/12/23 The Grumman XF5F-1
- Published 2019/12/16 7 Mistakes to Avoid When Buying a Plane
- Published 2019/12/13A Beginner Buyer's Guide to Aircraft
- Published 2019/12/04 4 Things You Should Know If You Dream of Buying a Fighter Jet
- Published 2019/11/29 How to Find the Best Aircraft Loans
- Published 2019/11/29 Stay Up to Date and In the Loop: 5 Pilot Podcasts to Listen To
- Published 2019/11/27 VREF Value Vector Newsletter 4th Quarter 2019 by Jason Zilberbrand, ASA, ISA AM, MRAeS
- Published 2019/11/25 5 of the Best Personal Aircraft For First-Time

## RECENT EXPERT WITNESS CASES

- JR14LLC v. Flying Colours (represented the plaintiff)

- CJ3SP LLC and CNR Transportation LLC v Air General (represented the plaintiff)
- Elite Aviation Services LLC V Ace Pools and Tracey Welchel (represent the plaintiff)
- Suntx Capital v BBA (represent the plaintiff)
- Double H International v Baker Aviation (represent the defendant)
- Bloom Business Jets LLC v Glencove holdings Inc (represent the plaintiff)
- Pro By Air v Banyan Air Services (represent the plaintiff)
- UJM I, LLC v. ALL IN JETS, LLC (represent the defendant)
- El Clan LLC v Paradise Airlines Inc and Christian Canache (represent the plaintiff)
- LVN Transport v Berge (represent the plaintiff)

## RECENT APPRAISALS

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Interest	Property Type	Purpose
Bombardier Global 6000	Aircraft	FMV/OLV
Honda Jet	Aircraft	FMV and DOV
Bombardier Challenger 350	Aircraft	FMV/OLV
Bombardier Global 5000	Aircraft	FMV/OLV
Dassault Falcon 7X	Aircraft	FMV/OLV
Pilatus PC12 NG	Aircraft	FMV/OLV
Nextant 400XTi	Aircraft	FMV/OLV
Gulfstream G150	Aircraft	FMV/OLV
Beech 1900D	Aircraft	FMV Report
Aero Sport	Aircraft	FMV Report Cost Replacement
Piper Comanche	Aircraft	FMV Report
Sling 2	Aircraft	FMV Report
Beech Bonanza	Aircraft	FMV Report
CL 604	Aircraft	FMV Report
G200	Aircraft	FMV Report

Cessna 421C	Aircraft	FMV Report
Piper Meridian	Aircraft	FMV Report, refi
Legacy 650	Aircraft	FMV Report
Agusta AW109SP	Aircraft	FMV Report
Legacy 650	Aircraft	FMV Report
Boeing	Commercial Aircraft	FMV Report
G550	Aircraft	FMV Report Diminution
Embraer	ERJ 170	FMV Report
Hawker 850XP	Aircraft	FMV Report
Airbus	A321	FMV Report
Pilatus PC12	Aircraft	FMV Report
Falcon 7X	Aircraft	FMV Report
Global Express	Aircraft	FMV Report
AW139	Aircraft	FMV Report
Challenger 300	Aircraft	FMV Report
Dornier 328	Aircraft	FMV Report
PC12 Fleet	Aircraft and Inventory	FMV Report
Cessna 414A	Aircraft	FMV report
Global Express	Aircraft	FMV Report
Legacy 600	Aircraft	FMV Report
BR710	Engine	FMV Report Diminution
Challenger 850	Aircraft	FMV Report
PC12 NG	Aircraft	FMV Report
PC12	Aircraft	FMV Report
PC12	Aircraft	FMV Report
G550	Aircraft	FMV Report Diminution
Challenger 604	Aircraft	FMV Report
Bell 427	Aircraft	FMV Report
Boeing 767	Aircraft	FMV Report
Falcon 2000	Aircraft	FMV Report
G450	Aircraft	FMV Report
AS350B2	Aircraft	FMV Report
Let 410	Aircraft	FMV Report
900EX	Aircraft	FMV Report
737 VIP	Aircraft	FMV Report
GV	Aircraft	FMV Report
AW 119	Aircraft	FMV Report
PC12	Aircraft	FMV Report



Global 6000	Aircraft	FMV Report
Falcon 7X	Aircraft	FMV Report
G650	Aircraft	FMV Report
Cessna 208B	Aircraft	FMV Report
Bell 429	Aircraft	FMV Report
601-3A	Aircraft	FMV Report
King Air B250	Aircraft	FMV Report
Cl 300	Aircraft	FMV Report
800A	Aircraft	FMV Report
Global 6000	Aircraft	FMV Report
Boeing 737	Aircraft	FMV Report
PC12	Aircraft	FMV Report
Baron 58 P	Aircraft	FMV Report
800XP	Aircraft	FMV Report
Piaggio P180	Aircraft	FMV Report
Lear 45	Aircraft	FMV Report
Legacy 650	Aircraft	FMV Report
Cl 604	Aircraft	FMV Report
Bell 407	Aircraft	FMV Report
Global Express	Aircraft	FMV Report
Sovereign	Aircraft	FMV Report
Twin otter	Aircraft	FMV Report
Lear 45	Aircraft	FMV Report
Citation CJ4	Aircraft	FMV Report
Beech 1900	Aircraft	FMV Report
GIVSP	Aircraft	FMV Report
G550	Aircraft	FMV Report
G650	Aircraft	FMV Report
Lear 45	Aircraft	FMV Report
Global 6000	Aircraft	FMV Report
PC12	Aircraft	FMV Report
Lear 60	Aircraft	FMV Report
850XP	Aircraft	FMV Report
CL 300	Aircraft	FMV Report
EC130B4	Aircraft	FMV Report
PC12	Aircraft	FMV Report
PC12	Aircraft	FMV Report
Global EXP XRS	Aircraft	FMV Report Diminution
A109	Aircraft	FMV Report

PC12 Fleet	Aircraft Fleet	FMV Report
G650	Aircraft	FMV Report
Premier 1A	Aircraft	FMV Report
Falcon 900B	Aircraft	FMV Report
Global 5000	Aircraft	FMV Report
CL 650	Aircraft	FMV Report
PC12 Fleet	Aircraft Fleet	FMV Report
Hawker 800XPI	Aircraft	FMV Report
G450	Aircraft	FMV Report
Global EXP XRS	Aircraft	FMV Report
Piaggio P180	Aircraft	FMV Report
CJ2	Aircraft	FMV Report
900XP	Aircraft	FMV Report
Global 6000	Aircraft	FMV Report
G650	Aircraft	FMV Report
G200	Aircraft	FMV Report
CL 300	Aircraft	FMV Report
PC12	Aircraft	FMV Report
Beech jet 400A	Aircraft	FMV Report
GIV	Aircraft	FMV Report
King Air F90	Aircraft	FMV Report
Jet Star 731	Aircraft	FMV Report
Bell 429	Aircraft	FMV Report
Citation Sovereign	Aircraft	FMV Report
BeechJet 400A	Aircraft	FMV Report
GIII	Aircraft	FMV Report
G650	Aircraft	FMV Report
Citation Sovereign	Aircraft	FMV Report
Conquest II	Aircraft	FMV Report
Beechjet 400A	Aircraft	FMV Report

G650	Aircraft	FMV Report
King Air B200	Aircraft	FMV Report
Citation Sovereign	Aircraft	FMV Report
Merlin III	Aircraft	FMV Report
Hawker 800XP	Aircraft	FMV Report
Citation ISP	Aircraft	FMV Report
Beechjet 400A	Aircraft	FMV Report
G-II	Aircraft	FMV Report
King Air B200	Aircraft	FMV Report
King Air B200	Aircraft	FMV Report
Westwind II	Aircraft	FMV Report
G-II	Aircraft	FMV Report
King Air B200	Aircraft	FMV Report
ATR 72	Aircraft	FMV Report
Hawker 800XP	Aircraft	FMV Report
CL300	Aircraft	FMV Report
CL300	Aircraft	FMV Report
CL300	Aircraft	FMV Report
CL300	Aircraft	FMV Report
Global EXP	Aircraft	FMV Report
Falcon 7X	Aircraft	FMV Report
CL300	Aircraft	FMV Report
Sabre 65	Aircraft	FMV Report
Citation III	Aircraft	FMV Report
CL300	Aircraft	FMV Report
731-3 engines	Engines	FMV Report
CL300	Aircraft	FMV Report
Falcon 10	Aircraft	FMV Report
CL300	Aircraft	FMV Report
G550	Aircraft	FMV Report

G550	Aircraft	FMV Report
G450	Aircraft	FMV Report
G450	Aircraft	FMV Report
G150	Aircraft	FMV Report
Falcon 50	Aircraft	FMV Report

## ORGANIZATIONS AND SOCIETIES

- 
- Member of American Society of Appraisers (ASA)
  - Member of International Society of Appraisers (ISA)
  - Member of Association of Online Appraisers (AOA)
  - Member of Appraisers National Association (ANA)
  - Member of the Royal Aeronautical Society (RAeS)
  - Member of American Bar Association (ABA)
  - Member of Forensic Expert Witness Association (FEWA)
  - Member of the International Society of Appraisers (ISA)
  - Member of the Royal Institution of Chartered Surveyors (RICS)
  - Member of National Business Aviation Association (NBAA)
  - Member of European Business Aviation Association (EBAA)
  - Member of National Aircraft Finance Association (NAFA)
  - Member of Helicopter Association International (HAI)
  - Member of International Society of Transport Aircraft Trading (ISTAT)
  - Member of Association for Unmanned Vehicle Systems International (AUVSI)
  - Member of Chicago Business Aviation Association (CBAA)
  - Member of Lawyer-Pilot Bar Association
  - Member of Global Licensed Aircraft Dealers Association (GLADA)

## BOARDS

- 
- **Director of Public Relations American Society of Appraisers (ASA) Chicago Chapter Number 033**
  - **Global Licensed Aircraft Dealers Association (GLADA) Board of Directors**

## AWARDS

- 
- **National Graduating Honors-Roosevelt University**
  - **National Deans List-1996, 1997, 1998, 1999**
  - **The Franklin Honor Society Lifetime Membership 1999**
  - **Russian Business Aircraft Association Foreign Broker of the Year 2016**
  - **ASA Chicago Chapter 33 Best Contributing Member 2020**

# EXHIBIT E



NJ Advance Media  
 Woodbridge Corporate Plaza  
 ATTN: Legal Advertising Dept.  
 485 Route 1 South  
 Suite 300  
 Iselin, NJ 08830



## Star Ledger

PUBLIC SERVICE ELECTRIC AND GAS  
 COMPANY  
 4000 HADLEY ROAD  
 BERNADETTE BIRGLER  
 SOUTH PLAINFIELD, NJ 07080

AD#:0009685429

Sales Rep: NJ LegalRepNJ  
 Account Number:1000919921  
 AD#: 0009685429

FOR QUESTIONS CONCERNING THIS AFFIDAVIT,  
 PLEASE CALL 732-902-4318 OR EMAIL legalads@njadvancemedia.com

Remit Payment to:  
 NJ Advance Media  
 Dept 77571  
 P.O. Box 77000  
 Detroit, MI 48277-0571

Page 1 of 2

Date	Position	Description	P.O. Number	Costs
08/13/2020	Request For Pro NJ	Helicopter Sealed Bid County of Union, New Jersey Public Service Electric and	Bid Helicopter	
			Ad Size	
			1 x 45 L	
			Affidavit Fee - 08/06/2020	\$90.00
			Basic Ad Charge - 08/13/2020	\$139.50
			Total	\$229.50

### CLAIMANTS CERTIFICATION AND DECLARATION

I do solemnly declare and certify under the penalties of law that this bill or invoice is correct in all its particulars, that the goods have been furnished or services have been rendered as stated herein, that no bonus has been given or received by any person or persons within the knowledge of this claimant in connection with the above claim, that the amount herein stated is justly due and owing, and that the amount charged is a reasonable one.

Date: 8/20/2020

Fed ID#: 13-4123607

Signature: Chris Tighe

Official Position: AR Manager

### CERTIFICATION BY RECEIVING AGENCY

I, having knowledge of the facts, certify and declare that the goods have been received or the services rendered and are in compliance with the specifications or other requirements, and said certification is based on signed delivery slips or other reasonable procedures or verifiable information.

Signature: \_\_\_\_\_

Title: \_\_\_\_\_ Date: \_\_\_\_\_

### CERTIFICATION BY APPROVAL OFFICIAL

I certify and declare that this bill or invoice is correct, and that sufficient funds are available to satisfy this claim. The Payment shall be chargeable to:

Appropriation Account(s) and Amounts Charged: \_\_\_\_\_

P.O.#: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Signature: \_\_\_\_\_



AD#: 0009685429


Total

\$229.50

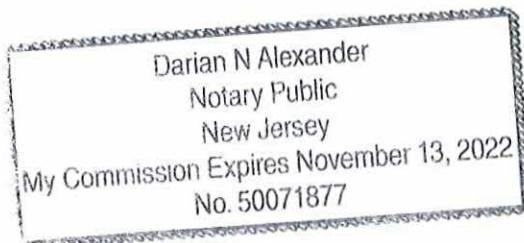
State of New Jersey,) ss

County of Middlesex)

Cherilyn Alston being duly sworn, deposes that he/she is principal clerk of NJ Advance Media; that Star Ledger is a public newspaper, with general circulation in Atlantic, Burlington, Cape May, Essex, Hudson, Hunterdon, Mercer, Middlesex, Monmouth, Morris, Ocean, Passaic, Somerset, Sussex, Union, and Warren Counties, and this notice is an accurate and true copy of this notice as printed in said newspaper, was printed and published in the regular edition and issue of said newspaper on the following date(s):

**Star Ledger 08/06, 08/13/2020**  
\_\_\_\_\_  
Principal Clerk of the Publisher

Sworn to and subscribed before me this 20th day of August 2020

  
\_\_\_\_\_  
Notary Public

Helicopter Sealed Bid  
County of Union, New Jersey – Public Service Electric and Gas Company ("PSE&G") will accept bids for the purchase of a Helicopter described as follows:

McDonnell Douglas MD530F

Serial Number: 0146FF

Registration Mark: N532EZ

YOM: 2006

Total Hours: 2,339

Aircraft Location: Linden Airport  
New Jersey

1101 W Edgar Rd, Linden, NJ 07036

The proposed sale is in an "AS IS" and "WHERE IS" condition, for which PSE&G makes absolutely no representations or warranties with respect thereto. Sealed bids for the purchase of this Helicopter will be received via overnight delivery by the Manager-Transmission Construction & Maintenance, at PSE&G, 4000 Hadley Road, South Plainfield, NJ 07080, until 4:00 PM on Monday, August 24th, 2020, which bids will be opened in the office of the Manager-Transmission Construction & Maintenance at 10:00 AM on Friday, August 28th, 2020. Bids must be sealed in an envelope containing such bids and labelled "Sealed Bid." Anyone seeking to obtain additional information regarding the Helicopter should contact the Manager-Transmission Construction & Maintenance, Bernadette Birgler, at 201-951-6260 no later than 24 hours prior to the August 24th, 2020 date mentioned herein. Notwithstanding

any provision to the contrary, Public Service Electric and Gas Company reserves the right to reject any and all bids in its sole discretion.

8/6, 13/2020      \$139.50

# EXHIBIT F

**CERTIFICATION OF NON-AFFILIATION**

**TRANSACTION:** PUBLIC SERVICE ELECTRIC AND GAS COMPANY TO TIM L. HARDING

**SALE OF PERSONAL PROPERTY KNOWN AS:** McDonnell Douglas MD530F helicopter bearing Manufacturer's Serial Number 0146FF and U.S. Registration Number N532EZ

1. By signing and submitting this Certification, the prospective purchaser is providing the certification set forth below.
2. This Certification is a material representation of fact upon which PSEG Services Corporation, its subsidiaries and affiliates (hereinafter "PSEG"), will rely upon. If it is determined prior to any close of title that the prospective purchaser knowingly rendered an erroneous certification, in addition to other remedies available to PSEG at law or equity, PSEG has the absolute right, to be exercised at its sole discretion, to cancel and/or void any contract for sale, letter of intent, or other similar instrument, with which this transaction originated (upon which any deposit will be refunded to the prospective purchaser minus any actual costs incurred by PSEG).
3. The prospective purchaser shall provide immediate written notice to PSEG if at any time the prospective purchaser learns that their certification was erroneous when submitted or has become erroneous by reason of changed circumstances.
4. The prospective purchaser hereby certifies, that, to the best of his knowledge, he is neither presently nor has he in the past been affiliated (either through full-time employment, contractor employment, or as a supplier/vendor) with Public Service Enterprise Group, Inc., PSEG Power, LLC, Public Service Electric and Gas Company, PSEG Energy Holdings, LLC and/or PSEG Services Corporation or any subsidiary/affiliate thereof other than as noted below:

Date: SEPT. 15, 2020

Signature: 

Print Name: TIM L HARDING

Address: 15696 HARDING RD.

City: BRYAN

State: TX Zip Code 77807

# EXHIBIT G



**EXHIBIT G****Proposed Journal Entry to Record the Transaction**

The purchase price for the helicopter less sales cost is currently estimated at \$1,215,000.

The pro forma journal entry to record the sale is as follows (using the August 31, 2020 NBV):

<u>DR/ (CR)</u>	<u>Acct No.</u>	<u>Account Name</u>	<u>Amount</u>
DR	131	Cash	\$ 1,215,000
DR	108	Accumulated Depreciation	\$ 692,228
CR	101	Transportation Equipment	\$(1,360,174)
CR	421.1	Gain on Disposition of Property	\$ (547,054)

# EXHIBIT H

**PUBLIC SERVICE ELECTRIC AND GAS COMPANY**

**SECRETARY CERTIFICATE**

**THE UNDERSIGNED**, Michael K. Hyun, Secretary of Public Service Electric and Gas Company, a New Jersey Corporation (the “Company”), DOES HEREBY CERTIFY that:

1. I am the Secretary of the Company, and in such capacity, I am familiar with the Company’s records, and
2. David M. Daly has the authority to execute on behalf of the Company the following agreement and that such authority remains in full force and effect and has not been rescinded:

*Helicopter Sale and Purchase Agreement dated as of August 28, 2020 by and between PUBLIC SERVICE ELECTRIC & GAS COMPANY, as Seller, and TIM L. HARDING, as Purchaser concerning the McDonnell Douglas MD530F helicopter bearing Manufacturer’s Serial Number 0146FF and U.S. Registration Number N532EZ (attached as Exhibit A hereto);*

3. As of the date of this Certificate, David M. Daly is the President of the Company and has the delegated authority to execute and bind the Company, which authority remains in full force and effect.

**IN WITNESS WHEREOF**, the undersigned has executed this Certificate on this 17th day of September, 2020.



---

Michael K. Hyun  
Secretary

# EXHIBIT A

**EXECUTION COPY**

**HELICOPTER SALE AND PURCHASE AGREEMENT**

dated as of August 28, 2020

by and between

**PUBLIC SERVICE ELECTRIC & GAS COMPANY,**

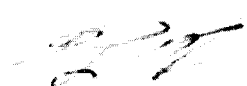
as Seller,

and

**TIM L. HARDING,**

as Purchaser

concerning the McDonnell Douglas MD530F helicopter bearing  
Manufacturer's Serial Number 0146FF and U.S. Registration Number N532EZ

A handwritten signature in dark ink, appearing to read "TH", is located in the lower right quadrant of the page.



## HELICOPTER SALE AND PURCHASE AGREEMENT

This **HELICOPTER SALE AND PURCHASE AGREEMENT** (this "**Agreement**") is made and entered into as of August 28, 2020 by and **PUBLIC SERVICE ELECTRIC & GAS COMPANY**, a New Jersey corporation with its principal place of business at 80 Park Plaza, Newark, New Jersey 07101, USA ("**Seller**") and **TIM L. HARDING**, an individual United States citizen residing at 15696 Harding Road, Bryan, Texas 77807 ("**Purchaser**").

### WITNESSETH:

**WHEREAS**, Seller is the legal owner of the Aircraft described and referred to herein and wishes to sell the Aircraft to Purchaser; and

**WHEREAS**, Purchaser desires to purchase the Aircraft described and referred to herein from Seller for total consideration in the amount of One Million Three Hundred Thousand United States Dollars (US\$1,300,000.00) as set forth herein; and


**NOW, THEREFORE**, in consideration of these premises and the mutual covenants and agreements herein contained, the parties agree as follows:

### ARTICLE I DEFINITIONS

1.1 The following terms shall have the following meanings for all purposes of this Agreement:

"**Aircraft**" means (i) the McDonnell Douglas MD530F helicopter bearing Manufacturer's Serial Number 0146FF and U.S. Registration Number N532EZ (the "**Airframe**"), together with one (1) installed Rolls-Royce model 250-C30 engine, bearing manufacturer's serial number CAE-900196 (the "**Engine**"), (ii) all related instruments, avionics appliances, appurtenances, accessories, furnishings, components and parts appurtenant thereto, as described in Exhibit A, or other equipment of whatever nature incorporated or installed in or attached to the Airframe or Engine, (iii) all Ancillary Items and (iv) all Aircraft Documents. The Engine shall be deemed part of the "Aircraft" whether or not from time to time attached to the Airframe or removed from the Airframe.

"**Aircraft Documents**" means all documents and records relating to or required to be maintained by the FAA with respect to the Aircraft, all Airframe, Engine and accessory logbooks, manuals, flight records, weight and balance manuals, tags, technical records, traceability records, task cards, information, overhaul records, maintenance records, maintenance contracts, computerized maintenance programs, airframe and aircraft component warranties, engine warranties, avionics warranties, wiring diagrams, drawings, data, completion manuals, equipment manuals relating to but not limited to avionics and any and all other records related to the Aircraft only to the extent the above are in Seller's possession and control.



**"Aircraft Specification"** means the specifications of the Aircraft as listed on Exhibit A attached hereto.

**"Balance of the Purchase Price"** means the amount of One Million Two Hundred Thousand United States Dollars (US\$1,200,000.00); *i.e.*, the Purchase Price *minus* the Deposit.

**"Business Day"** means any day of the year in which banks are not authorized or required to close in the State of New York.

**"Cape Town Treaty"** means collectively the Convention on International Interests in Mobile Equipment, the Protocol to the Convention on International Interests in Mobile Equipment on Matters Specific to Aircraft Equipment and, the Regulations and Procedures for the International Registry, together with all other rules, amendments, supplements, and revisions thereto.

**"Closing"** means the consummation of the purchase and sale transaction contemplated by this Agreement.

**"Closing Date"** means the mutually agreed Business Day on which the Closing occurs, which is anticipated to be on or about October 30, 2020.

**"Delivery Condition"** shall have the meaning given such term in Exhibit B attached hereto and incorporated herein.

**"Delivery Location"** means Linden Municipal Airport located at 1101 West Edgar Road Linden, New Jersey 07036, USA or such other location within the forty-eight (48) contiguous United States designated by Purchaser and reasonably acceptable to Seller where the sale and delivery may occur without payment of sales tax.

**"Delivery Receipt"** means an Aircraft Delivery Receipt in the form of Exhibit C attached hereto.

**"Deposit"** means the deposit in the amount of One Hundred Thousand United States Dollars (US\$100,000.00).

**"Dollar", "dollar", "US\$", "\$"** means the lawful currency of the United States of America from time to time.

**"Escrow Agent"** means Insured Aircraft Title Service, Inc.

**"Escrow Fee"** means all costs, fees and expenses owed to the Escrow Agent for acting as Escrow Agent which, shall be Two Thousand Six Hundred United States Dollars (US\$2,600.00), payable in equal parts by Purchaser and Seller.

**"FAA"** means the Federal Aviation Administration or any successor thereto.



**"FAA Bill of Sale"** means an original FAA Aeronautical Center Form 8050-2 Aircraft Bill of Sale in a form recordable by the FAA Civil Aviation Registry.

**"FAA Civil Aviation Registry"** means the FAA Civil Aviation registry, Aircraft Registration Branch, AFS-750, Registry Building Room 118, 6425 South Denning, Oklahoma City, Oklahoma 73169-6937.

**"FAA Aircraft Registration Application"** means an original FAA Aeronautical Center Form 8050-1 Aircraft Registration Application in a form recordable by the FAA Civil Aviation Registry.

**"Inspection"** means the pre-purchase inspection of the Aircraft, which may include a log book and records review, a visual review of the Aircraft, a video borescope of the main gear box, a main rotor drive shaft inspection, a visual review of the Aircraft, and review of the Aircraft Documents, conducted by Purchaser and observed by Seller or its representative which shall take place at the Delivery Location in order to determine that the Aircraft is in the Delivery Condition.

**"International Registry"** means the International Registry of Mobile Assets established pursuant to the Cape Town Treaty.

**"Lien"** means any lien, mortgage, security interest, lease or other demand, charge or encumbrance or claim or right of others, including, without limitation, rights of others under any engine or parts interchange, loan, lease, or pooling agreement, and any air navigation (e.g., FAA), or other similar over flight charges, and any domestic or foreign, taxes, imposts or assessments, relating to the period prior to the Closing Date and not created by or through Purchaser.

**"Purchase Price"** means the amount of One Million Three Hundred Thousand United States Dollars (US\$1,300,000.00).

**"Purchaser Tax Indemnatee"** has the meaning given to such term in Section 7.2.

**"Seller's Broker"** means Asian Sky Group Limited in its capacity as Seller's broker and agent for purposes of the purchase and sale transaction contemplated by this Agreement.

**"Seller Tax Indemnatee"** has the meaning given to such term in Section 7.1.

**"Taxes"** has the meaning given to such term in Section 7.1.

**"Technical Acceptance/Rejection Letter"** means the Technical Acceptance Letter in the form of Exhibit D attached hereto.

**"Total Loss"** means with respect to the Aircraft (including for the purposes of this definition the Airframe) or an Engine relating thereto means the total loss or the loss of the use thereof due to theft, disappearance, destruction or the requisition or taking of use of the Aircraft or any substantial part thereof by any governmental entity, or the divestiture of title of the Aircraft or any such part thereof by any governmental entity;

and/or any damage to the Aircraft or any part thereof to any extent which, in the opinion of the insurers with which the Aircraft is insured, renders repair impractical or uneconomic; and/or any other event which is treated by the insurers with which the Aircraft is insured, or by Seller or any governmental entity having jurisdiction thereof, as a total loss of the Aircraft.

**"United States"** means the United States of America.

**"Warranty Bill of Sale"** means an original Warranty Bill of Sale for the Aircraft in the form of Exhibit E attached hereto.

## ARTICLE II AGREEMENT TO PURCHASE AND SELL

- 2.1 **Agreement.** For and in consideration of the Purchase Price, on the Closing Date, Seller shall sell and deliver the Aircraft to Purchaser, and Purchaser shall purchase and accept delivery of the Aircraft from Seller, on and subject to the terms and conditions set forth herein.
- 2.2 **Deposit.** Prior to Purchaser's and Seller's execution of this Agreement, Purchaser has delivered to Escrow Agent the Deposit. The Deposit shall be applied towards the Purchase Price at the Closing. The Deposit shall be refundable to Purchaser upon demand until such time as Purchaser accepts the Aircraft pursuant to Section 3.2.2, and thereafter Purchaser's Deposit shall be non-refundable.

## ARTICLE III DELIVERY CONDITION AND INSPECTION

- 3.1 **Delivery Condition.** It shall be a condition to Purchaser's obligation to consummate the transaction contemplated herein that the Aircraft shall be in Delivery Condition on the Closing Date at the Delivery Location and Seller covenants and agrees to deliver the Aircraft to Purchaser at the time of the Closing in the required Delivery Condition.
- 3.2 **Inspection/Aircraft Acceptance.**
  - 3.2.1 Within two (2) Business Days after execution of this Agreement, Purchaser shall deliver to Seller, with a copy to the Escrow Agent, a completed Technical Acceptance Letter in which Purchaser, in its sole and absolute discretion, either (i) accepts the technical condition of the Aircraft or (ii) rejects the Aircraft, in each case, with the applicable line marked to show Purchaser's acceptance or rejection of the Aircraft. If Purchaser does not deliver the Technical Acceptance Letter to Seller on or before the second (2<sup>nd</sup>) Business Day after completion of the Inspection, Purchaser shall be deemed to have accepted the Aircraft. If the Aircraft is rejected, the Deposit shall immediately be refunded to Purchaser, less any amounts necessary to reimburse Seller for any unpaid costs of Purchaser related to the Inspection, and this Agreement shall terminate and be of no further force or effect. If the Aircraft is accepted, the Deposit shall be non-refundable to Purchaser, except as explicitly set forth in Section 8.1.2 and Section 8.2.
  - 3.2.2 Purchaser shall be solely responsible for all expenses related to the Inspection.

## ARTICLE IV CLOSING PROCEDURES

### 4.1 Pre-Closing Obligations.

4.1.1 Within one (1) Business Day following the execution of this Agreement, Escrow Agent shall prepare and deliver to Purchaser and Seller title reports for the Aircraft and its Engine, which reports shall include relevant information from both the FAA Civil Aviation Registry and the International Registry.

4.1.2 Prior to the Closing, Seller shall deliver to the Escrow Agent:

4.1.2.1 an undated, but otherwise fully executed, FAA Bill of Sale; and

4.1.2.2 an undated, but otherwise fully executed, Warranty Bill of Sale.

4.1.3 Prior to the Closing, Purchaser shall deliver to the Escrow Agent:

4.1.3.1 the Deposit as required pursuant to Section 2.2 hereof;

4.1.3.2 the Balance of the Purchase Price;

4.1.3.3 its one-half (½) share of the Escrow Fee;

4.1.3.4 a fully executed FAA Aircraft Registration Application (other than the pink slip copy which should be positioned on the Aircraft);

4.1.3.5 the Technical Acceptance Letter accepting the Aircraft as required pursuant to Section 3.2.2 hereof; and

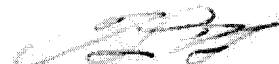
4.1.3.6 the signed and undated Delivery Receipt.

4.1.4 Prior to the Closing, Purchaser shall deliver to the Seller:

4.1.4.1 the Technical Acceptance Letter accepting the Aircraft as required pursuant to Section 3.2.2 hereof.

THE PRE-POSITIONING OF ANY DOCUMENT OR THE DEPOSIT OR ANY PORTION OF THE PURCHASE PRICE WITH THE ESCROW AGENT IS FOR THE CONVENIENCE OF THE PARTIES ONLY SO THAT THEY MAY BE RELEASED AT THE ORAL OR WRITTEN DIRECTION OF THE DEPOSITING PARTIES FOLLOWING SATISFACTION OF ANY CONDITIONS CONTAINED HEREIN, AND SHALL NOT BE CONSTRUED AS OR IMPLY ACCEPTANCE OF THE AIRCRAFT OR CONVEYANCE OF TITLE THERETO, WHICH MAY ONLY OCCUR AS SPECIFICALLY PROVIDED IN THIS AGREEMENT.

4.2 **Conditions Precedent to Seller's Obligations.** Seller's obligation to sell and deliver the Aircraft to Purchaser on the Closing Date shall be subject to the following conditions precedent:





- 4.2.1 Purchaser shall not be in breach or default of any of Purchaser's obligations arising under this Agreement that must be complied with prior to or at Closing;
  - 4.2.2 All of Purchaser's representations set forth in Section 5.2 shall be true and accurate as of the time of Closing;
  - 4.2.3 Purchaser shall have delivered, or cause to be delivered, each of the items identified in Section 4.1.3 and Section 4.1.4 required to be delivered by it;
  - 4.2.4 Purchaser's obligations set forth in Section 8.16 shall have been complied with, including, but not limited to, providing an Insurance Certificate relating to the Aircraft and the insurances described therein;
  - 4.2.5 Purchaser shall have performed and complied with all of the terms, conditions and covenants required by this Agreement to be performed or complied with by it prior to or at the Closing; and
  - 4.2.6 Seller shall have received an order of approval from the New Jersey Board of Public Utilities that is acceptable to Seller and all appeal periods have expired or been waived in writing by Seller.
- 4.3 **Conditions Precedent to Purchaser's Obligations.** Purchaser's obligation to purchase and accept delivery of the Aircraft from Seller on the Closing Date shall be subject to the following conditions precedent:
- 4.3.1 Seller shall not be in breach or default of any of Seller's obligations arising under this Agreement that must be complied with prior to or at Closing;
  - 4.3.2 All of Seller's representations set forth in Section 5.1 shall be true and accurate as of the time of Closing;
  - 4.3.3 Seller shall have delivered, or cause to be delivered, each of the items identified in Section 4.1.2 required to be delivered by it;
  - 4.3.4 At the time of Closing, the Aircraft shall be in the required Delivery Condition; and
  - 4.3.5 Seller shall have performed and complied with all of the terms, conditions and covenants required by this Agreement to be performed or complied with by it prior to or at the Closing.
- 4.4 **Closing.** The Closing Date shall occur as soon as practicable, subject to the conditions set forth in Section 4.2 and Section 4.3. At the time of the Closing, the parties shall perform the following closing deliveries in the order presented, all of which collectively shall constitute the Closing:
- 4.4.1 Seller shall confirm to Purchaser that the Conditions Precedent to Seller's Obligations as set forth in Section 4.2 have been satisfied or waived;

- 4.4.2 Purchaser shall confirm to Seller that the Conditions Precedent to Purchaser's Obligations as set forth in Section 4.3 have been satisfied or waived;
- 4.4.3 Seller shall deliver or cause to be delivered, the Aircraft to Purchaser at the Delivery Location;
- 4.4.4 Seller and Purchaser shall conduct a conference call with Escrow Agent during the normal business hours of the FAA Civil Aviation Registry during which:
  - 4.4.4.1 Escrow Agent shall confirm that it has checked the FAA Civil Aviation Registry and the International Registry and confirmed the Aircraft is free of Liens and International Interests with respect to the Aircraft, Airframe or Engines, or if there is, Escrow Agent has been irrevocably authorized to discharge the same contemporaneously with the Closing;
  - 4.4.4.2 Escrow Agent shall confirm that it is in receipt of the Purchase Price and Purchaser's one-half (½) share of the Escrow Fee;
  - 4.4.4.3 Purchaser shall, concurrently with Seller's instruction in Section 4.4.4.4, instruct Escrow Agent to release the Purchase Price to Seller (minus its one-half (½) share of the Escrow Fee); and
  - 4.4.4.4 Seller shall, concurrently with Purchaser's instruction in Section 4.4.4.3, instruct Escrow Agent to date and file the FAA Bill of Sale in the FAA Civil Aviation Registry, and to deliver the Warranty Bill of Sale to Purchaser, which instruction by Seller is subject only to receipt by Seller from Escrow Agent of the Purchase Price; and
- 4.4.5 Purchaser shall accept delivery of the Aircraft from Seller at the Delivery Location, instruct Escrow Agent to file Purchaser's FAA Aircraft Registration Application and shall instruct Escrow Agent to simultaneously deliver to Seller the fully executed and completed Delivery Receipt setting forth the time of Closing as the time of the recording of the FAA Bill of Sale with the FAA Civil Aviation Registry.

## ARTICLE V REPRESENTATIONS AND WARRANTIES

- 5.1 **Seller's Representations and Warranties.** Seller hereby represents and warrants that, as of the date hereof, and as of the Closing:
  - 5.1.1 Seller is a corporation duly formed, validly existing, and in good standing under the laws of the state of New Jersey, having the capacity to sue and be sued in its own name, having full power, legal right and authority to carry on its business as currently conducted, and to execute, deliver and perform the provisions of this Agreement;



- 5.1.2 The execution, delivery, and performance by Seller of this Agreement, and the sale of the Aircraft, has been duly authorized by all necessary action on behalf of Seller and do not conflict with or result in any breach of any of the terms or constitute a default under any document, instrument, or agreement to which Seller is a party;
  - 5.1.3 The person executing this Agreement on behalf of Seller has full power and authority to do so;
  - 5.1.4 This Agreement constitutes the legal, valid and binding obligations of Seller and is enforceable against Seller;
  - 5.1.5 At the time of the Closing, Seller shall own and shall convey to Purchaser full legal title to the Aircraft, free and clear of all Liens; and
  - 5.1.6 Seller has not entered into any agreement (other than this Agreement) pursuant to which Seller is or may be contractually or legally obligated to sell, lease, assign or otherwise transfer the Aircraft or any interest in the Aircraft to any person other than Purchaser.
- 5.2 **Purchaser's Representations and Warranties.** Purchaser hereby represents and warrants that, as of the date hereof, and as of the Closing:
- 5.2.1 Purchaser is an individual United States citizen, having the capacity to sue and be sued in his own name, having full power, legal right and authority to execute, deliver and perform the provisions of this Agreement;
  - 5.2.2 The execution, delivery, and performance by Purchaser of this Agreement, and the acquisition of the Aircraft do not conflict with or result in any breach of any of the terms or constitute a default under any document, instrument, or agreement to which Purchaser is a party; and
  - 5.2.3 This Agreement constitutes the legal, valid and binding obligations of Purchaser and is enforceable against Purchaser in accordance with its terms.

## ARTICLE VI DISCLAIMER

- 6.1 **DISCLAIMER AND LIMITATION OF LIABILITY.** PURCHASER ACKNOWLEDGES THAT, EXCEPT AS EXPRESSLY SET FORTH IN THIS AGREEMENT, THE AIRCRAFT IS BEING SOLD AND DELIVERED TO PURCHASER IN "AS IS, WHERE IS, WITH ALL FAULTS" CONDITION. OTHER THAN THE WARRANTY OF TITLE SET FORTH IN SECTION 5.1.5 OF THIS AGREEMENT AND IN THE WARRANTY BILL OF SALE, SELLER DOES NOT MAKE, GIVE, OR EXTEND ANY WARRANTIES OR REPRESENTATIONS OF ANY KIND OR NATURE WHATSOEVER, EXPRESS OR IMPLIED, WHETHER ARISING IN LAW, IN EQUITY, IN CONTRACT, OR IN TORT, AND INCLUDING,

WITHOUT LIMITATION, ANY IMPLIED WARRANTY OF MERCHANTABILITY, AIRWORTHINESS, DESIGN, CONDITION, OR FITNESS FOR A PARTICULAR USE.

- 6.2 UNDER NO CIRCUMSTANCES SHALL EITHER PARTY BE LIABLE FOR LOST PROFITS, LOSS OF BUSINESS, LOSS OF USE OR ANY OTHER INCIDENTAL, INDIRECT, CONSEQUENTIAL OR SPECIAL DAMAGES ARISING OUT OF OR RELATED TO THE CONSUMMATION OF (OR FAILURE TO CONSUMMATE) THE TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT OR ANY DELAY IN CONSUMMATION OF THE TRANSACTIONS CONTEMPLATED HEREBY, AND EACH PARTY HEREBY WAIVES ANY RIGHT IT MAY HAVE TO SUCH DAMAGES.

#### ARTICLE VII TAXES

- 7.1 **Purchaser Taxes.** Purchaser shall bear, and shall defend, indemnify and hold Seller and its subsidiaries, affiliates, officers, directors, members, managers, employees and agents (each, individually, a "**Seller Tax Indemnatee**") harmless from and against any and all sales, use, excise and other similar taxes, and any taxes, fees, duties, interest, penalties, charges, invoices, claims and statements relating thereto ("**Taxes**"), which may be imposed by any U.S. federal, provincial, or other governmental authority as a result of the sale, delivery or transfer of the Aircraft to Purchaser, or the ownership, possession, use or storage of the Aircraft by Purchaser, except for any taxes imposed on or measured by such Seller Tax Indemnatee's gross income or net receipts or imposed, assessed or assessable prior to the Closing, or directly attributable to a period prior to the Closing. In the event a Seller Tax Indemnatee receives notice of any audit, claim, assessment or proposed assessment of any tax for which Purchaser may be responsible under this Section 7.1, such Seller Tax Indemnatee shall within ten (10) Business Days notify Purchaser thereof, and such Seller Tax Indemnatee and Purchaser shall reasonably cooperate to manage and/or defend such audit, claim, assessment or proposed assessment. Failure by a Seller Tax Indemnatee to so notify Purchaser shall not relieve Purchaser of its obligations to indemnify hereunder.
- 7.2 **Seller's Taxes.** Seller shall bear, and shall defend, indemnify and hold Purchaser and its subsidiaries, affiliates, officers, directors, members, managers, employees and agents (each, individually, a "**Purchaser Tax Indemnatee**") harmless from and against any and all taxes on, or measured by, the income or gains of Seller in connection with the sale of the Aircraft, and any and all property taxes, fuel taxes, excise or similar taxes and any other taxes, fees, or charges assessed which may be imposed by any U.S. federal, provincial, or other governmental authority as a result of the ownership, possession, use or storage of the Aircraft by Seller prior to the Closing, or directly attributable to a period prior to the Closing. In the event a Purchaser Tax Indemnatee receives notice of any audit, claim, assessment or proposed assessment of any tax for which Seller may be responsible under this Section 7.2, such Purchaser Tax Indemnatee shall within ten (10) Business Days notify Seller thereof, and such Purchaser Tax Indemnatee and Seller shall reasonably cooperate to manage and/or defend such audit, claim, assessment or proposed

assessment. Failure by a Purchaser Tax Indemnatee to so notify Seller shall not relieve Seller of its obligations to indemnify hereunder.

- 7.3 **No Set-Off, etc.** (a) All payments under or in connection with this Agreement (including, without limitation, the Purchase Price) will be made in United States Dollars in immediately available funds without set-off or counterclaim, free and clear of and without deduction for or on account of any Taxes.

(b) If Purchaser is compelled by law to make payment subject to any Tax imposed by any United States federal, provincial, or other governmental authority for which Purchaser is required to indemnify the receiving party and as a consequence the receiving party does not actually receive for its own benefit on the due date a net amount equal to the full amount provided for under this Agreement, Purchaser will pay all necessary additional amounts to ensure receipt by the other party of the full amount so provided for.

(c) The amount which Purchaser will be required to pay with respect to Section 7.1 will be an amount sufficient to restore such indemnified party to the same position such indemnified party would have been in had such liability for taxes subject to indemnity pursuant to Section 7.1 not been incurred.

(d) The amount which Seller will be required to pay with respect to Section 7.2 will be an amount sufficient to restore such indemnified party to the same position such indemnified party would have been in had such liability for taxes subject to indemnity pursuant to Section 7.2 not been incurred.

- 7.4 **Survival.** Notwithstanding any other provision of this Agreement, the obligations of the parties under this Section 7 will survive the consummation, completion, or termination (or combination of any thereof) of this Agreement.

## ARTICLE VIII MISCELLANEOUS

### 8.1 **Risk of Loss, Damage or Destruction of Aircraft.**

8.1.1 **Risk of Loss.** Seller shall bear all risk of loss, damage or destruction of the Aircraft occurring prior to the Closing. Title to and risk of loss, injury, destruction or damage to the Aircraft, shall transfer from Seller to Purchaser upon completion of the Closing, which shall be deemed the time the FAA Bill of Sale is filed with the FAA Civil Aviation Registry.

8.1.2 **Destruction or Damage.** Notwithstanding any contrary provision of this Agreement, if at any time after the date hereof and prior to the Closing, the Aircraft is destroyed or is damaged in such a manner that constitutes a Total Loss, either party may terminate this Agreement upon written notice to the other and the Deposit shall immediately be refunded to Purchaser *minus* one half (½) of the Escrow Fee and, to the extent applicable, any and all costs related to the





Inspection, and this Agreement shall terminate and be of no further force or effect. In the event that the Deposit is refunded to the Purchaser in accordance with this section, the Deposit shall be refunded without interest.

- 8.2 **Amendments.** The provisions of this Agreement may not be waived, altered, modified, amended, supplemented or terminated in any manner whatsoever except by written instrument signed by all parties hereto.
- 8.3 **Severability.** Any provision of this Agreement that may be determined by competent authority to be prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.
- 8.4 **Assignment.** This Agreement may not be assigned by any party without the prior written consent of the other party, which shall not be unreasonably denied, conditioned or delayed. Any attempted assignment of this Agreement prohibited by this Section shall be deemed void. The assignor, along with the assignee, shall remain jointly and severally liable for any all obligations and liabilities being assigned to the assignee.
- 8.5 **Successor and Assigns.** This Agreement shall inure to the benefit of and be binding upon each of the parties hereto and their respective successors and permitted assigns.
- 8.6 **Headings and References.** The division of this Agreement into sections, and the insertion of headings, are for convenience of reference only and shall not affect the construction or interpretation of this Agreement.
- 8.7 **Counterparts.** This Agreement may be fully executed in two or more counterparts by each of the parties hereto, such counterparts together constituting but one and the same instrument. Such counterparts may be exchanged via facsimile or other electronic transmission.
- 8.8 **Notices.** All communications, declarations, demands, consents, directions, approvals, instructions, requests and notices required or permitted by this Agreement shall be in writing and shall be deemed to have been duly given or made when delivered personally or transmitted electronically by facsimile, receipt acknowledged, or transmitted by electronic mail or in the case of documented overnight delivery service or registered or certified mail, return receipt requested, delivery charge or postage prepaid, on the date shown on the receipt therefor if before 5:00 PM at the recipient's location, and on the next Business Day if after 5:00 PM at the recipient's location, in each case at the address set forth below:

If to Seller:                      Public Service Electric & Gas Company  
                                              80 Park Plaza, T-11  
                                              Newark, New Jersey 07101  
                                              Attn: Nicholas Tonzetich  
                                              Tel: (908) 412-3424



Email: nicholas.tonzetich@pseg.com

with a copy to: Public Service Electric & Gas Company  
80 Park Plaza, T-5  
Newark, New Jersey 07101  
Attn: Michael Palumbo  
Tel: (973) 430-5395  
Email: michael.palumbo@pseg.com

and a copy to: McGuireWoods LLP  
1251 Avenue of the Americas  
New York, New York 10020  
Attn: Deepak Reddy  
Tel: (212) 548-2103  
Email: dreddy@mcguirewoods.com

If to Purchaser: Tim L. Harding  
15696 Harding Road  
Bryan, Texas 77807  
Attn: Tim L. Harding  
Tel: (979) 218 3111  
Email: tharding@hardingdrilling.com

If to Escrow Agent: Insured Aircraft Title Service, Inc.  
21 E Main Street, Suite 100  
Oklahoma City, Oklahoma 73104  
Attn: Denise Baustert  
Tel: (405) 681 6663  
Email: deniseb@insuredaircraft.com

If requested, Seller shall provide to Purchaser a copy of all communications, declarations, demands, consents, directions, approvals, instructions, requests and notices sent by Seller to Escrow Agent, and if requested, Purchaser shall provide to Seller a copy of all communications, declarations, demands, consents, directions, approvals, instructions, requests and notices sent by Purchaser to Escrow Agent.

- 8.9 **Non-Waiver.** Any failure at any time of either party to enforce any provision of this Agreement shall not constitute a waiver of such provision or prejudice the right of such party to enforce such provision at any subsequent time.
- 8.10 **Entire Agreement.** The parties agree that the terms and conditions of this Agreement, including all Exhibits, constitute the entire agreement between the parties with respect to the subject matter hereof. This Agreement supersedes all prior agreements between the parties, express or implied with respect to the subject matter hereof.
- 8.11 **Transaction Costs and Expenses.** Except as otherwise set forth herein, each party to this Agreement shall bear its own transaction costs and expenses, including, without

limitation, any brokers' commissions and/or attorneys' fees. Without limiting the generality of the foregoing, (i) all International Registry charges for Purchaser to become a Transacting User Entity or Transacting User, and to register Purchaser's international interest in the Aircraft, shall be paid by Purchaser; and (ii) all International Registry charges for Seller to become a Transacting User Entity or Transacting User, and all charges in connection with the removal of any encumbrance on title, including without limitation International Registry charges to discharge any international interest in the Aircraft that Seller may have, shall be paid by Seller. Any actions or costs associated with the registration of the Aircraft, import or export of the Aircraft into any jurisdiction shall be the sole responsibility of Purchaser and shall commence after the Closing Date. Seller shall be solely responsible for the fees of Seller's Broker.

- 8.12 **Agreement Negotiated.** The parties to this Agreement are sophisticated and have been represented or had the opportunity to be represented by an attorney in connection with the negotiation and performance of this Agreement. The parties agree that no presumptions relating to the interpretation of contracts against the drafter of any particular clause should or may be applied in this case and, therefore, waive their effects.
- 8.13 **Time is of the Essence.** Time shall be of the essence for all events contemplated hereunder.
- 8.14 **Further Assurances.** Each party covenants and agrees to take, or cause to be taken, such actions, and will execute and deliver, or cause to be executed and delivered, such additional documents and instruments, and will do, or cause to be done, all such actions as are reasonably necessary or appropriate, in conjunction with, and after the Closing, to effectuate the purposes and intent of this Agreement, and to consummate the transactions contemplated hereby.
- 8.15 **Governing Law; Jurisdiction.** THIS AGREEMENT SHALL IN ALL RESPECTS BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK, UNITED STATES OF AMERICA, WITHOUT REFERENCE TO PRINCIPLES OF CONFLICTS OF LAW OTHER THAN SECTIONS 5-1401 AND 5-1402 OF THE NEW YORK GENERAL OBLIGATIONS LAW. EACH PARTY HERETO HEREBY IRREVOCABLY AGREES, ACCEPTS AND SUBMITS TO, FOR ITSELF AND IN RESPECT OF ANY OF ITS PROPERTY, GENERALLY AND UNCONDITIONALLY, THE EXCLUSIVE JURISDICTION OF THE COURTS OF THE STATE OF NEW YORK AND IN THE CITY AND COUNTY OF NEW YORK AND OF THE UNITED STATES FOR THE SOUTHERN DISTRICT OF NEW YORK, IN CONNECTION WITH ANY LEGAL ACTION, SUIT OR PROCEEDING WITH RESPECT TO ANY MATTER RELATING TO OR ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT AND FULLY WAIVES ANY OBJECTION TO THE VENUE OF SUCH COURTS. FURTHERMORE, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, EACH PARTY HEREBY WAIVES, AND AGREES NOT TO ASSERT, BY WAY OF MOTION, AS A DEFENSE, OR OTHERWISE, IN ANY SUCH SUIT ACTION OR PROCEEDING ANY CLAIM THAT IS NOT PERSONALLY SUBJECT TO THE JURISDICTION OF THE ABOVE-NAMED COURTS, THAT THE SUIT, ACTION OR PROCEEDING IS

BROUGHT IN AN INCONVENIENT FORUM, OR THAT THE VENUE OF THE SUIT, ACTION OR PROCEEDING IS IMPROPER.

**8.16 Post-Closing Insurance.**

8.16.1 Effective upon the Closing Date, and for a period of two (2) years thereafter, Purchaser shall at all times while the Aircraft is in service or operational, comply or cause any applicable end-user to comply with the insurance obligations in this Section 8.16. If Purchaser transfers the Aircraft, the Airframe or any Engine prior to the expiration of the two (2) year period immediately following the Closing Date, Purchaser shall include a section substantially similar to this Section 8.16 in such agreement of transfer naming Seller and its indemnitees as additional insureds for the remainder of such two (2) year period.

8.16.2 During the period described in Section 8.16.1 hereof, Purchaser will furnish, or cause to be furnished, to Seller an insurance certificate relating to the Aircraft and the insurance described above.

8.16.3 Such liability insurance shall be endorsed to name Seller as an additional insured. To the extent that the insurance requirement listed in this Section 8.16.3 increases Purchaser's premium for insurance coverage, Seller shall pay Purchaser for the excess cost of said coverage. Purchaser's obligation to maintain insurance in accordance with Section 8.16.3 is contingent on Seller's prior payment of the additional premium amount (if any).

**8.17 Defaults and Remedies.**

8.17.1 **Events of Default.** If any one or more of the following events of default (each an "Event of Default") shall occur, then this Agreement may, at the option of the Party not in default, be terminated:

8.17.1.1 If Purchaser shall default in the due and punctual payment of any sum due to Seller, which default shall continue for three (3) Business Days after receipt of written notice of default by Purchaser;

8.17.1.2 If either party shall default in the performance of any of the provisions contained in this Agreement, which default shall continue for ten (10) days after receipt of written notice of default by the defaulting party;

8.17.1.3 If either party shall file a voluntary petition in bankruptcy, or shall be adjudicated as bankrupt, or insolvent, or shall file any petition or answer seeking any reorganization, composition, readjustment, liquidation or similar relief for itself under any present or future statutes, law or regulation, or shall seek or consent to or acquiesce in, the appointment of any trustee, or shall make any general

assignment for the benefit of creditors, or shall admit in writing its inability to pay its debts generally as they become due; or

8.17.1.4 If a petition shall be filed against either party seeking any reorganization, composition, readjustment, liquidation or similar relief under any present or future statute, law or regulation, and shall remain undismissed or unstayed for an aggregate of sixty (60) days (whether or not consecutive), or if any trustee, receiver or liquidator of either party is appointed, which appointment shall remain unvacated, or unstayed for an aggregate of sixty (60) days (whether or not consecutive).

8.17.2 **Seller's Remedies.** Upon the occurrence of an Event of Default by Purchaser, and provided Seller is not then in material breach or default of this Agreement and Purchaser shall have accepted the Aircraft in accordance with Section 3.2.1, Seller shall have the option to terminate this Agreement by written notice to Purchaser and Escrow Agent. If Seller elects to terminate this Agreement under this Section 8.17.2, Escrow Agent shall pay the Deposit to Seller as liquidated damages, and thereafter this Agreement shall be of no further force or effect. Seller acknowledges and represents that the liquidated damages amount provided for in this Section is a reasonable estimate of the damages that would be incurred by Seller in the event Purchaser defaults on Purchaser's obligations under this Agreement. Seller's right to retain the Deposit shall be the sole remedy available to Seller in the event Purchaser defaults on Purchaser's obligations under this Agreement, and Seller waives any other remedies that may be available to Seller at law or in equity.

8.17.3 **Purchaser's Remedies.** Upon the occurrence of an Event of Default by Seller, and provided Purchaser is not then in material breach or default of this Agreement, Purchaser shall have the option to terminate this Agreement by written notice to Seller and Escrow Agent. If Purchaser elects to terminate this Agreement under this Section 8.17.3, Escrow Agent shall immediately refund the Deposit to Purchaser, and thereafter this Agreement shall be of no further force or effect. Purchaser's right to return of the Deposit shall be the sole remedy available to Purchaser in the event Seller defaults on Seller's obligations under this Agreement, and Purchaser waives any other remedies that may be available to Purchaser at law or in equity.

8.18 **Confidentiality.** The terms and conditions of this Agreement, and all writings, discussions, and negotiations in connection with the transaction contemplated by this Agreement (including, without limitation, the fact that discussions and negotiations have been conducted by the parties), shall remain strictly confidential and shall not be disclosed by either party, without the prior written consent of the other party, except that each party shall be entitled to disclose the terms and conditions of this Agreement (i) as may be required by law or legal process; (ii) to such party's attorneys, accountants, consultants, and other advisors performing services for such party with respect to or affected by the transaction contemplated by this Agreement; (iii) to each party's



employees and corporate affiliates, (iv) the New Jersey Board of Public Utilities or other governmental or regulatory bodies which may have an interest in the transactions contemplated by this Agreement and (v) as may be required to permit such party to pursue all available remedies for breach of this Agreement by the other party.

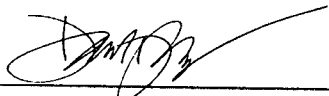
**[SIGNATURES APPEAR ON FOLLOWING PAGE]**

A handwritten signature in black ink, appearing to be "C. J. [unclear]", located in the lower right quadrant of the page.

**IN WITNESS WHEREOF**, the undersigned parties have caused this Helicopter Sale and Purchase Agreement to be executed, delivered and effective as of the date first above written.

**SELLER:**

**PUBLIC SERVICE ELECTRIC & GAS COMPANY**

By: 

Name: David M. Daly

Title: President

**PURCHASER:**

**TIM L. HARDING**

By: 

Name: TIM L. HARDING

Title: PURCHASER

### CONSENT AND JOINDER

Purchaser and Seller hereby appoint Escrow Agent as document holder and stakeholder for the sale and purchase of the Aircraft and Escrow Agent accepts such appointment for and in consideration of the Escrow Fee. The parties acknowledge that Escrow Agent is acting as a document holder and stakeholder only, its duties being purely ministerial, at their request and for their convenience, that Escrow Agent shall not be deemed to be the agent or trustee for either of the parties, and that Escrow Agent shall not be liable to either of the parties for any act or omission unless it involves willful misconduct or negligence on its part. Purchaser and Seller shall each pay one-half (½) of the Escrow Fee.

The undersigned does hereby consent to and join in the foregoing Agreement hereby agreeing to act as Escrow Agent in accordance with the provisions of the Agreement applicable to Escrow Agent.

Escrow Agent's agreement to serve as the escrow agent is conditioned on the following limitation. Notwithstanding the provisions contained in Section 8.15 of this Agreement (Governing Law; Jurisdiction) or any provision contained in any other agreement between Purchaser and Seller, the competent courts of the State of Oklahoma or the United States District Court for the Western District of Oklahoma shall have exclusive jurisdiction to hear all disputes against Escrow Agent and no other courts shall have any jurisdiction whatsoever in respect of such disputes against Escrow Agent. Should a dispute arise between Purchaser and Seller relating to this Agreement or any funds or other items which are in the possession of the Escrow Agent, Escrow Agent shall be entitled to interplead any funds or other items in its possession with the competent courts of the State of Oklahoma or the United States District Court for the Western District of Oklahoma. The foregoing shall not affect the governing law and jurisdiction provisions contained in Section 8.15 of this Agreement to the extent that any dispute is between only Purchaser and Seller and does not involve Escrow Agent in any manner.

#### ESCROW AGENT:

**INSURED AIRCRAFT TITLE SERVICE, INC.**

By: 

Name: Kirk Woford

Title: President

Signed, subject to IATS Terms & Conditions.

## **EXHIBIT A**

### **AIRCRAFT SPECIFICATION**

#### **AIRCRAFT**

McDonnell Douglas MD530F

Serial Number 0146FF

Registration Number N532EZ

Delivery Year 2006

Total Hours 2,339

#### **ENGINE**

Engine Model Rolls Royce 250-C30

Engine Serial Number CAE-900196

Total Hours 2,220

Total Cycles 2,349

#### **AVIONICS**

- ADS-B Out
- Airspeed Indicator
- Attitude Indicator L3 AIM-1200
- Altimeter
- Audio Selector Panel Garmin GMA-347
- Autopilot/AFCS
- Chronometer Astro Tech LC-2H
- VHF Bendix King KY-196A
- Compass
- ELT Artex 406
- Engine & System Indicator
- GPS/Nav/Com Garmin GNS-430W
- Intercom Garmin GMA-347
- IVSI Indicator
- Transponder Garmin GTX-330ES

#### **ADDITIONAL EQUIPMENT**

- Rapid removal Cabin Door Hinges
- FLIR Quick Mount

- Cargo Mirror
- LED Landing Light
- RH and LH Passenger Vertical Slide Windows
- Cargo Rack
- Upper & Lower Wire Strike
- Tyler Mount Rack
- Inlet Barrier Filter
- Cockpit & Cabin Rain Gutter Kit



## **EXHIBIT B**

### **DELIVERY CONDITION**

At the Closing, the Aircraft shall be delivered in full conformity and complying with all the items and conditions set forth below, collectively constituting the required “as is where is with all faults” “**Delivery Condition**”:

1. Free and clear of all Liens;
2. With an FAA Bill of Sale and a Warranty Bill of Sale transferring full legal title;
3. With all Aircraft Documents, complete and continuous, up to date, printed or published in English and in compliance with manufacturer requirements;
4. Substantially in the same condition as it was during the Inspection, with any normal or reasonable wear and tear excepted.
5. Other than that, the Aircraft will be sold “as is, where is” without any express or implied warranties other than the warranty of full legal title title.

Capitalized terms used herein and not otherwise defined herein shall have the meaning ascribed to such terms in the Agreement.

**EXHIBIT C****DELIVERY RECEIPT**

Pursuant to that certain Helicopter Sale and Purchase Agreement (the "**Agreement**") dated as of August 28, 2020, by and between PUBLIC SERVICE ELECTRIC & GAS COMPANY ("**Seller**") and TIM L. HARDING ("**Purchaser**"), the Purchaser hereby acknowledges acceptance of delivery of that certain (i) McDonnell Douglas MD530F helicopter bearing Manufacturer's Serial Number 0146FF and U.S. Registration Number N532EZ (the "**Airframe**"), together with one (1) installed Rolls-Royce model 250-C30 engine, bearing manufacturer's serial number CAE-900196 (the "**Engine**"), (ii) all related instruments, avionics appliances, appurtenances, accessories, furnishings, components and parts appurtenant thereto, or other equipment of whatever nature incorporated or installed in or attached to the Airframe or Engine and (iii) all Aircraft Documents (collectively, the "**Aircraft**"), from Seller, at [ ] o'clock (am / pm) Eastern Standard Time on the [ ] day of [ ] 2020, at Linden, New Jersey, USA. Purchaser hereby acknowledges that the Aircraft satisfies all of the requirements, terms and conditions of the Agreement.

By reason of the execution and delivery by Purchaser of this Delivery Receipt, it is conclusively presumed that (i) Purchaser has approved and accepted the Aircraft in "**AS IS, WHERE IS, WITH ALL FAULTS**" CONDITION WITHOUT RECOURSE OR WARRANTY OF ANY KIND, EXCEPT THE WARRANTY OF TITLE, AND, EXCEPT FOR THE WARRANTY OF TITLE PROVIDED IN SELLER'S WARRANTY BILL OF SALE, SELLER DOES NOT MAKE, GIVE, OR EXTEND ANY WARRANTIES OR REPRESENTATIONS OF ANY KIND OR NATURE WHATSOEVER, EXPRESS OR IMPLIED, WHETHER ARISING IN LAW, IN EQUITY, IN CONTRACT, OR IN TORT, AND INCLUDING, WITHOUT LIMITATION, ANY IMPLIED WARRANTY OF MERCHANTABILITY, AIRWORTHINESS, DESIGN, CONDITION, OR FITNESS FOR A PARTICULAR USE.

**PURCHASER:**

**TIM L. HARDING**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**EXHIBIT D**  
**TECHNICAL ACCEPTANCE LETTER**

Date: August 28, 2020

To: Public Service Electric & Gas Company  
80 Park Plaza, T-11  
Newark, New Jersey 07101  
Attn: Nicholas Tonzetich

**Re: Completion of Inspection**

Dear Nicholas:

Pursuant to that certain Helicopter Sale and Purchase Agreement (the “**Agreement**”) dated as of the August 28, 2020, by and between PUBLIC SERVICE ELECTRIC & GAS COMPANY (“**Seller**”) and TIM L. HARDING (“**Purchaser**”), pertaining to that certain (i) McDonnell Douglas MD530F helicopter bearing Manufacturer’s Serial Number 0146FF and U.S. Registration Number N532EZ (the “**Airframe**”), together with one (1) installed Rolls-Royce model 250-C30 engine, bearing manufacturer’s serial number CAE-900196 (the “**Engine**”), (ii) all related instruments, avionics appliances, appurtenances, accessories, furnishings, components and parts appurtenant thereto, or other equipment of whatever nature incorporated or installed in or attached to the Airframe or Engine, (iii) all Ancillary Items and (iv) all Aircraft Documents (collectively, the “**Aircraft**”), Purchaser by checking the following applicable box, hereby confirms that the Inspection has been completed and Purchaser, in its sole and absolute discretion, elects as follows:

CHECK ONE:

\_\_\_\_ **ACCEPTS** the technical condition of the Aircraft and acknowledges that (i) the Aircraft is in Delivery Condition and (ii) the Deposit shall immediately become non-refundable, except as explicitly set forth in the Agreement.

\_\_\_\_ **REJECTS** the technical condition of the Aircraft in accordance with Section 3.2.2 of the Agreement.

Capitalized terms used herein and not otherwise defined herein shall have the meaning ascribed to such terms in the Agreement.

Sincerely,

**PURCHASER:**

**TIM. L. HARDING**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**EXHIBIT E****WARRANTY BILL OF SALE****KNOW ALL PERSONS BY THESE PRESENTS:**

**THAT** PUBLIC SERVICE ELECTRIC & GAS COMPANY, a New Jersey corporation (the **"Seller"**), the lawful owner of the full legal title to the following tangible personal property:

(i) McDonnell Douglas MD530F helicopter bearing Manufacturer's Serial Number 0146FF and U.S. Registration Number N532EZ (the **"Airframe"**), together with one (1) installed Rolls-Royce model 250-C30 engine, bearing manufacturer's serial number CAE-900196 (the **"Engine"**), (ii) all related instruments, avionics, appliances, appurtenances, accessories, furnishings, components, parts or other equipment of whatever nature incorporated or installed or attached to the Airframe or Engines and (iii) all documents and records relating to or required to be maintained by the FAA with respect to the Aircraft, all Airframe, Engine and accessory logbooks, manuals, flight records, weight and balance manuals, tags, technical records, traceability records, task cards, information, overhaul records, maintenance records, maintenance contracts, computerized maintenance programs, airframe and aircraft component warranties, engine warranties, avionics warranties, wiring diagrams, drawings, data, completion manuals and any and all other records related to the Aircraft only to the extent the above are in Seller's possession and control (collectively, the **"Aircraft Documents"** and, together with the items listed in subsections (i) - (iii) above, the **"Aircraft"**).

**THAT**, for US\$10 and other good and valuable consideration, the receipt and adequacy of which is hereby acknowledged, Seller does as of the date provided below, grant, convey, transfer, deliver and set over all right, title and interest in and to the Aircraft and the Aircraft Documents unto TIM L. HARDING (**"Purchaser"**), and unto Purchaser's successors and assigns forever.

**THAT**, Seller hereby warrants to Purchaser, its successors and assigns, that there is hereby conveyed to Purchaser on the date hereof full legal title to the Aircraft free and clear of any and all mortgages, liens, claims, encumbrances and rights of others, and Seller shall warrant and defend such title forever against all claims and demands whatsoever.

**THAT**, Seller shall consent to the registration by Purchaser of an international interest in the Aircraft immediately upon any request to do so.

THE AIRCRAFT IS BEING SOLD AND DELIVERED TO PURCHASER IN **"AS IS, WHERE IS, WITH ALL FAULTS"** CONDITION WITHOUT RECOURSE OR WARRANTY OF ANY KIND, AND, EXCEPT FOR THE WARRANTY OF TITLE HEREIN, SELLER DOES NOT MAKE, GIVE, OR EXTEND ANY WARRANTIES OR REPRESENTATIONS OF ANY KIND OR NATURE WHATSOEVER, EXPRESS OR



IMPLIED, WHETHER ARISING IN LAW, IN EQUITY, IN CONTRACT, OR IN TORT, AND INCLUDING, WITHOUT LIMITATION, ANY IMPLIED WARRANTY OF MERCHANTABILITY, AIRWORTHINESS, DESIGN, CONDITION, OR FITNESS FOR A PARTICULAR USE.

THIS WARRANTY BILL OF SALE SHALL IN ALL RESPECTS BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK, UNITED STATES OF AMERICA, WITHOUT REFERENCE TO PRINCIPLES OF CONFLICTS OF LAW OTHER THAN SECTIONS 5-1401 AND 5-1402 OF THE NEW YORK GENERAL OBLIGATIONS LAW.

**IN WITNESS WHEREOF**, Seller has caused this instrument to be executed and delivered by its duly authorized signatory as of this \_\_\_\_\_ day of \_\_\_\_\_, 2020.

**SELLER:**

**PUBLIC SERVICE ELECTRIC & GAS COMPANY**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_