



*City of Prescott*  
*Prescott Municipal Airport*  
*Ernest A. Love Field*

6546 CRYSTAL LANE PRESCOTT, AZ. 86301 Tel: 928-445-7860

**CONSENT TO ASSIGNMENT OF LEASE AND NOVATION**

The City of Prescott, by and through the Prescott Airport Manager, hereby consents to the assignment of that certain Lease between the City of Prescott and Bonanza Enterprises, Inc., an Arizona corporation (hereinafter referred to as "Tenant"), more particularly identified as City of Prescott Contract Number 02-249, (hereinafter referred to as the "Lease"), to Guidance Helicopters, Inc., an Arizona Corporation (hereinafter referred to as "Assignee"), upon the following terms and conditions:

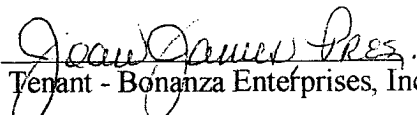
1. That this consent shall not be deemed a waiver or relinquishment in the future of the covenant against assignment or subletting without first obtaining the consent of the City of Prescott.
2. That this consent shall operate as a novation, and shall operate to release the Tenant from any and all covenants, stipulations, agreements and obligations under the Lease from and after January 1, 2005.
3. That the Assignee shall agree to accept and abide by any and all provisions in the Lease, and to faithfully perform any and all covenants, stipulations, agreements and obligations under the Lease.

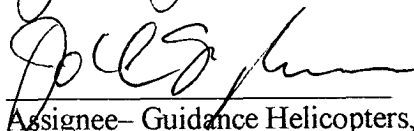
DATED this 26 day of January , 2005.

CITY OF PRESCOTT

By:   
Airport Manager

AGREED TO AND ACCEPTED BY;

  
Tenant - Bonanza Enterprises, Inc.

  
Assignee- Guidance Helicopters, Inc.

LAW OFFICES  
ROBERTS & CARVER, PLLC

PAUL L. ROBERTS\*  
JERRY CARVER\*

\*PROFESSIONAL CORPORATION

239 SOUTH CORTEZ STREET  
PRESCOTT, ARIZONA 86303  
TELEPHONE (928) 445-8824  
FACSIMILE (928) 445-6231  
E-MAIL randc@cableone.net

February 7, 2005

**HAND DELIVERED**

Kenton D. Jones, Esq.  
Law Office of Kenton D. Jones  
100 East Union Street  
Prescott, AZ 86303

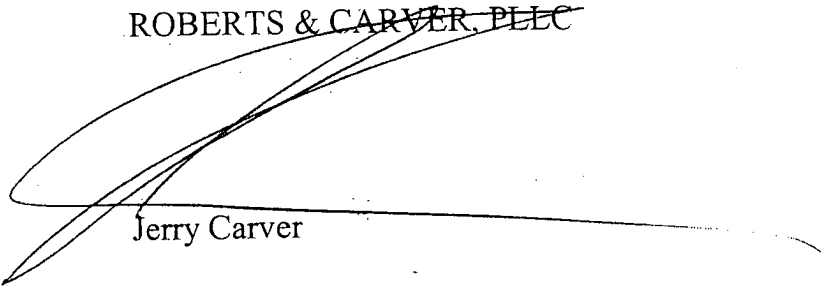
Re: Bonanza Enterprises, Inc.

Dear Kenton:

Enclosed are three (3) original executed Consent to Assignment of Lease and Novation. Please obtain the signatures of your client and forward to Mr. Severson. Please have Mr. Severson provide us with one of the fully executed originals with his signature. Also enclosed is our firm's trust account check in the amount of \$10,000.00 made payable to the City of Prescott.

Very truly yours,

~~ROBERTS & CARVER, PLLC~~

  
Jerry Carver

JC/ap

Enclosures

cc: Bonanza Enterprises, Inc.



Law Office of  
**KENTON D. JONES**

OFFICE ADDRESS:  
110 E. Union Street  
Prescott, AZ 86303  
(928) 776-2457

MAILING ADDRESS:  
P.O. Box 3840  
Prescott, AZ 86302  
Fax (928) 445-2228

22  
February 8, 2005

22  
HAND-DELIVERED: 02/08/05

Rick Severson  
Airport Manager  
Prescott Municipal Airport  
6546 Crystal Lane  
Prescott, Arizona 86301

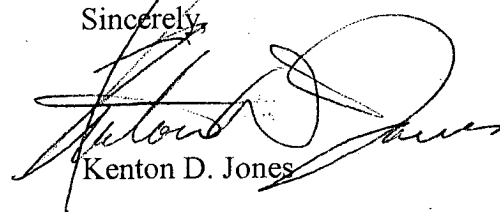
Re: *Transfer Of Bonanza Enterprises, Inc.,  
Leasehold Interest To Guidance Helicopters, Inc.*

Dear Rick,

Enclosed you will find the three (3) original signed consents that have been executed in regard to the above-referenced matter and a check for \$10,000.00 to cover the lease transfer fee; that check drawn upon the trust account of *Roberts & Carver PLLC*. With delivery of these items to you I believe that both Bonanza Enterprises, Inc., and Guidance Helicopters, Inc., have completed those tasks necessary to allow the transfer of the leasehold interest of Bonanza to Guidance.

If there are additional tasks that need to be completed or addressed, please feel free to contact me. It has certainly been a pleasure working with you in this regard.

Sincerely,



Kenton D. Jones

cc: *Jerry Carver, Esq.*  
*Client*



Received  
FEB 22 2005  
Prescott  
Municipal Airport

CODE: 11-75600-0

ROBERTS & CARVER PLLC  
IOLTA ACCOUNT  
239 S. CORTEZ  
PRESCOTT, AZ. 86303

DATE 2-7-05

91-532/1221 43

1079

PAY TO THE ORDER OF City of Prescott \$ 10,000.00 DOLLARS

Ten thousand and no/100

**National Bank OF ARIZONA**  
102 W. Gurley Street Prescott, AZ 86301  
www.nbatizona.com

FOR City of Prescott Enterprise, Inc.

MP

⑈001079⑈ ⑆122105320⑆ 0435082953⑈

Security enhanced document. See back for details.

PUBLISHED IN THE  
DAILY COURIER ON  
11/19/02 & 11/26/02

ORDINANCE NO. 4274

AN ORDINANCE OF THE MAYOR AND COUNCIL OF THE CITY OF PRESCOTT, YAVAPAI COUNTY, ARIZONA AWARDDING A LEASE OF CITY-OWNED PROPERTY AT ERNEST A. LOVE FIELD TO BONANZA ENTERPRISES.

WHEREAS, the City has advertised its intent to lease certain real property in accordance with Article VIII of the City Charter.

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF PRESCOTT AS FOLLOWS:

SECTION 1. THAT, a lease with Bonanza Enterprises, Inc. for the lease of certain property at Ernest A. Love Field is hereby approved.

SECTION 2. THAT, the Mayor and Staff are hereby authorized to execute the attached lease on behalf of the City of Prescott, and to take any and all steps deemed necessary to accomplish the foregoing.

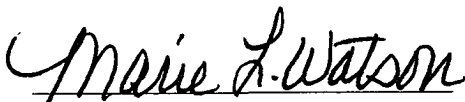
PASSED, APPROVED AND ADOPTED by the Mayor and Council of the City of Prescott, Arizona, on this 12<sup>th</sup> day of NOVEMBER, 2002.



ROWLE P. SIMMONS, Mayor

ATTEST:

APPROVED AS TO FORM:



MARIE L. WATSON  
City Clerk



JOHN R. MOFFITT  
City Attorney

LEASE AGREEMENT

#02-249

This Lease Agreement (hereinafter referred to as "Lease") is made this 30th day of September, 2002; between the City of Prescott, a municipal corporation of the State of Arizona (hereinafter referred to as "Lessor") and Bonanza Enterprises, Inc., (hereinafter referred to as "Lessee"). The parties agree as follows:

RECITALS

The parties recite and declare:

1. Lessor is the owner of an airport known as Ernest A. Love Field at Prescott, Yavapai County, Arizona, referred to as the "Airport."
2. Lessee is engaged in the business of aircraft storage and desires to use City property hereinafter described at the airport to conduct such business.
3. Lessor is willing to lease to Lessee a portion of the Airport premises, together with such rights and privileges as are set forth in this Lease (hereinafter referred to as "Leased Premises").
4. Thelton D. Beck, dba CCC Leasing, has filed an action in Yavapai County Superior Court against the parties hereto, and all of the parties to that action wish to resolve the action with the execution of new lease agreements.

In consideration of the above recitals, the terms and covenants of this Lease, and other good and valuable consideration, the receipt and sufficiency of which is acknowledged, the parties agree as follows:

AGREEMENT

1. (a) Description of Property. Lessor hereby grants to Lessee the exclusive use of two triple airplane hangars, owned by Lessor at Ernest A. Love Field, Prescott, Arizona, and more specifically described as follows: building #1, 6585 Crystal lane (4943 square feet), and building #2, 6595 Crystal Lane (5043 square feet), as shown on Exhibit "A," attached hereto and made a part hereof, subject to the City's right to place utilities under and through the Leased Premises.

(b) Right of Ingress/Egress. Lessee, its employees, customers, passengers, guests, and other invitees shall have the right of ingress to, and egress from, the premises and facilities referred to in this Lease. Such right shall also extend to persons or organizations supplying materials or furnishing services to Lessee, to include vehicles, machinery, and equipment reasonably required by such persons or

organizations. The above described rights of ingress and egress shall be exercised only in accord with Airport Rules, Regulations and Guidelines which are in effect and as may be amended from time to time.

(c) Use of Premises. Lessee covenants and agrees to use the Leased Premises for aircraft storage and for no other purpose without the prior written permission of the Airport Manager. The Lessee shall also have the right of exclusive use and enjoyment, subject only to the Lessor's mutual use and right of entry, on the asphalt parking area immediately between the two leased triple hangars, which area is more specifically described in Exhibit "A." The asphalt parking area between the two hangars shall only be used for ingress and egress to the two hangars or the temporary parking of aircraft, and such area shall not be used for overnight or permanent parking of aircraft or any other vehicles, the storage of any items, and no structures of any kind shall be placed in such area.

2. Lease Payment; Lease Payment Adjustment; Demand.

(a) Lease Payment. The initial annual ground lease payment shall be Ten Cents (\$0.10) per square foot, based on a total square footage of 9986, commencing on the first day of the first full month after all of the parties have executed this Lease and the Prescott City Council has approved this Lease, for a total annual payment of \$998.60. The lease payment amount is based on actual square footage of each hanger and on no other area. The annual payments shall be due and payable on the first day of the first full month after all of the parties have executed this Lease and the Prescott City Council has approved this Lease, and shall be due and payable on the first day of each such same month of each year thereafter. Failure to pay the amount of the annual payment by the tenth (10th) day of the month in which such payment is due shall be grounds for termination of this Lease.

(b) Payment in Lieu of Taxes. In addition to the foregoing rent in paragraph 2(a), the Lessee will pay to the City the annual amount of property tax which would have been paid to the City had the premises not been conveyed to the City. This payment shall be due on April 1st of each year, for the tax liability for the previous calendar year.

(c) Late Charge. Any payment not received by the tenth (10th) day of the month in the year in which such payment is due shall result in a late charge of 1.5% per year of the amount due.

(d) Lease Payment Adjustments. Adjustments to lease payments shall be made on July 1st of each and every year thereafter based upon increases in the Consumer Price Index (as determined by the U.S. All Cities Index) during the preceding twelve month period ending April 30 of that year, provided, however, that notwithstanding the C.P.I. increase (or absence thereof), the annual rent increase shall be not less than two percent (2%).

(e) Lease Payment Adjustments upon Exercise of Renewal Option.

Notwithstanding any other provision herein, if the Lessee or its successor exercises an option to renew this Lease pursuant to paragraph 3(a) herein, the initial lease payment for the renewed lease term shall be the current market rate for new leases of comparable bare ground at Airport facilities and entered into within one year prior to the completion of the original term of this Lease, but not including the added value of the hangar buildings or additional improvements for fixtures made by the Lessee. If, within ninety (90) days after the expiration of the term of this Lease, the parties fail to agree in a written and executed amendment hereto to the amount of such lease payment, the Lease shall be terminated, unless either party files and serves upon the other party within such 90 day period a declaratory action in Yavapai County Superior Court to determine the amount of "the current market rate for new leases of comparable bare ground at Airport facilities and entered into within one year prior to the completion of the original term of this Lease." If either party files and serves such an action, the parties hereby waive a jury trial and agree to a trial of such action before the court. Upon exercise of the Lessee's renewal option, subsequent lease payment adjustments shall be made based on the Consumer Price Index adjustment as otherwise provided in paragraph 2(d).

(f) Demand. Demand for lease payments shall not need to be made at any time, on the premises or elsewhere, and Lessee shall pay the lease payments without demand being made therefor. Without waiver of this provision, it is the common practice for Lessor to bill its account receivables on a monthly basis. Nevertheless, the terms of this subparagraph govern over any terms contained on such bill.

(g) Security Deposit. Lessee shall deposit with the Lessor upon execution of this Lease as security for Lessee's faithful performance of Lessee's obligations hereunder, a security deposit in the amount of \$100.00. Any prior deposit of such security under the prior lease shall satisfy the Lessee's obligation to deposit this amount and shall be maintained by Lessor pursuant to the terms of this Lease. If Lessee fails to pay rent, or other charges due hereunder, or otherwise defaults with respect to any provision of this Lease, Lessor may use, apply or retain all or any portion of said deposit for the payment of any rent or other charge in default or for the payment of any other sum to which the Lessor may become obligated by reason of Lessee's default, or to compensate Lessor for any loss or damage to which Lessor may suffer thereby. If Lessor so uses or applies all or any portion of said deposit, Lessee shall, within ten (10) days after written demand, deposit cash with Lessor in an amount sufficient to restore said deposit to the full amount hereinabove stated, and Lessee's failure to do so shall be a material breach of this Lease. Lessor shall not be required to keep said deposit separate from its general accounts. If Lessee performs all of Lessee's obligations hereunder, said deposit, or so much thereof as has not theretofore been applied by Lessor, shall be returned, without payment of interest or other income for its use, to Lessee (or, at Lessor's option, to the last assignee or purchaser, if any, of Lessee's interest hereunder) at the expiration of the term hereof, and after Lessee has vacated the premises.

3. (a) Duration. Subject to earlier termination as provided in this Lease, the initial term of this Lease shall be twenty-five (25) years, commencing on the first day of the month after all of the parties have executed this Lease and the Prescott City



Council has approved this Lease, subject, however, to the option granted by Lessor to Lessee to renew this Lease for one additional twenty-five (25) year term. Lessee shall notify Lessor in writing of Lessee's intention to exercise the renewal option not less than sixty (60) days, nor more than ninety (90) days prior to the expiration of the initial term of this Lease.

(b) Peaceable Enjoyment. Lessor covenants to keep Lessee in peaceable possession and enjoyment of the premises and the non-exclusive use of the asphalt parking area during the term of this Lease.

4. Indemnity. Lessee shall assume all risks incident to the use of the premises and shall indemnify Lessor against any loss, damage, or expenses resulting from personal injury or damage to, or loss of property caused in any manner by Lessee, its customers, agents, employees or invitees, and against any loss, damage or expense resulting from injury to Lessee, its customers, agents, employees or invitees, and against any loss, damage or expense resulting from injury to Lessee, its customers, agents or employees or invitees.

5. Sublease or Assignment. The Leased Premises shall not be sublet except as set forth herein. The Lessee may sublet or assign the Leased Premises with the prior written approval of the Airport Manager, which approval shall not be unreasonably withheld. Any other transfer is invalid unless approved by the City Council of the City of Prescott. Upon proof of a proposed sale of Lessee's business, the Council may authorize the assignment or transfer of the remainder of the term of this Lease to the new business owner. Lessee and the new business owner shall provide full and adequate financial and other information for the Council's review of the assignment requested. Any attempted unauthorized subletting, assignment or transfer of any kind shall terminate this Lease without further notice.

If the Lessee proposes to assign, transfer, or sell all of its rights in this Lease for the entire remaining term of the Lease, then the Lessee shall also pay to the Lessor a transfer fee of ten thousand dollars (\$10,000) or 5% of the gross sales price or sum received for the assignment, transfer, or sale, whichever is less. A sale, assignment, or other transfer is invalid unless approved by the City Council of the City of Prescott.

6. Lessor's Right of Entry. Lessee shall permit Lessor, acting through and under the supervision of the Airport Manager, to have access to and to enter the Leased Premises at all reasonable and necessary times to inspect the premises and in order to exercise any right or power reserved to Lessor under the terms and provisions of this Lease, or under the rules and regulations of the Airport, as they may be amended from time to time. Lessor shall notify Lessee prior to entry except in the case of an actual emergency.

7. Lessee's Responsibilities.

(a) Lessee shall comply with all statutes, ordinances, rules and regulations that are applicable to Lessee's occupation and use of the premises.

(b) Lessee shall provide for, and supply at its expense, all janitorial service with respect to buildings and facilities situated on the Leased Premises and shall pay for all utilities, including heat, light, gas, electricity and water used by it in connection with such buildings or facilities.

(c) Lessee shall procure and maintain in force liability insurance covering the Leased Premises and Lessee's activities thereon in minimum amounts as follows: \$1,000,000.00 per person; \$1,000,000.00 each occurrence; \$1,000,000.00 property damage. Lessor shall be named as an additional insured, and shall be furnished with copies of all insurance policies obtained by Lessee. Lessee agrees to notify Lessor in writing as to any amendment to or cancellation of such policies. Lessee shall obtain insurance as required by this subparagraph as a condition to this Lease becoming effective, and maintain said insurance during the existence of this Lease. All insurance shall be written with an insurance company approved by and acceptable to the City.

(d) Lessee shall, at its expense and throughout the term of this Lease, maintain, service, replace and keep in good repair the interior structure and exterior structure of the Leased Premises, including but not limited to, all mechanical equipment, floors, ceilings, walls, doors, glass, plumbing, cleaning, heating and cooling equipment, air conditioning, partitions and electrical fixtures.

(e) Lessee shall, at all times, comply with all applicable federal grant compliance requirements as more particularly set forth in Exhibit "B", attached hereto and made a part hereof.

(f) That the City of Prescott will apply all proceeds of any fire and/or extended coverage insurance covering the Leased Premises to the repair and/or replacement of the improvements included in the Lease.

(g) Lessee, at its expense, shall maintain and replace the exterior improvements of the premises, shown on Parcel 1 of Exhibit "A" hereto, including but not limited to the asphalt areas and drainage improvements. The Lessee shall crack seal, seal coat, and restripe the asphalt parking area once every five years after 2001 and will replace the asphalt parking area every 20 years from and after 2001 at a cost not to exceed a specified amount agreed to by the parties. The Lessee shall be responsible for performing the work to the Lessee's satisfaction and shall bear all costs for all such maintenance, repair and replacement.

(h) Lessee has sole responsibility for snow removal on all paved or other portions of the premises, described as Parcel 1 on Exhibit A hereto at its sole cost.

8. (a) Improvements. Improvements, excluding trade fixtures and equipment, including additions, changes and other improvements, shall not be constructed or placed upon the Leased Premises without the prior written consent of Lessor. All additions, changes and other improvements erected or placed on the Leased Premises shall remain thereon and shall not be removed therefrom, and at the expiration

of this Lease, all such improvements shall become the property of Lessor, free and clear of all encumbrances or liens whatsoever. Lessor reserves the right to enforce this provision beyond the expiration of this Lease. All improvements shall be made in accordance with applicable codes and laws.

(b) Non-subordination. The interest of Lessor in the real property and facilities to be constructed, pursuant to this Lease, shall never be subordinated to any other interest.

9. Disadvantaged Business Enterprise (DEE) Assurances.

(a) Policy. It is the policy of the United States Department of Transportation (USDOT) that disadvantaged business enterprises as defined in 49 CFR Part 23 shall have the maximum opportunity to participate in the performance of contracts financed in whole or in part with federal funds under this Lease. Consequently, the DEE requirements of 49 CFR Part 23 apply to this Lease.

(b) DEE Obligation. The Lessor agrees to insure that disadvantaged business enterprises as defined in 49 CFR Part 23 have the maximum opportunity to participate in the performance on contracts and subcontracts financed in whole or in part with federal funds provided under this Lease. In this regard, the Lessor shall take all necessary and reasonable steps in accordance with 49 CFR Part 23 to insure that disadvantaged business enterprises have the maximum opportunity to compete for and perform contracts. The Lessor shall not discriminate on the basis of race, color, national origin, or sex in the award and performance of DOT-assisted contracts.

10. Notices. Any notices required under this Lease shall be deemed sufficient if made in writing and sent by certified mail to either party at the following addresses:

Lessor: City of Prescott  
City Clerk  
201 South Cortez  
Prescott, Arizona 86303

With a copy to: Airport Manager  
P.O. Box 2059  
Prescott, Arizona 86302

Lessee: Bonanza Enterprises, Inc.  
165 Duane Street  
Astoria OR 97103

With a copy to:  
Jerry Carver  
Carver & Roberts, PLLC

239 South Cortez Street  
Prescott, AZ 86303

11. Modification. This Lease contains the entire agreement between the parties and shall not be modified in any manner except by an instrument in writing, signed by the parties.

12. Terms Binding on Successors and Assigns. The covenants, conditions and terms of this Lease shall extend to and be binding upon the Lessor and Lessee, their heirs, personal representatives and assigns, if any.

13. Termination.

(a) With Cause. The following acts or omissions by Lessee shall constitute a material breach of this Lease. The parties agree that, upon occurrence of any such act or omission, Lessor may, at its option, terminate the Lease by giving Lessee thirty (30) days written notice of its intention to terminate the Lease and specifying the breach:

1. Abandonment of the premises for thirty (30) or more consecutive days.
2. Assignment, transfer, sale or sublease of the right to occupy the premises without first obtaining written permission of Lessor.
3. Nonpayment of lease payment.
4. Committing waste or using the premises in a manner not authorized by this Lease.
5. Initiation of any proceedings by Lessee under Chapter 7, Chapter 11 or Chapter 13 of the United States Bankruptcy Code.
6. Failure to maintain insurance as specified in this Lease.
7. Breach of any provision of this Lease.

(b) Unless otherwise agreed in writing by Lessor, Lessee shall have fifteen (15) days in which to cure the breach of this Lease to the satisfaction of Lessor. In the event Lessee shall not have cured the specified breach to the satisfaction of Lessor, Lessee shall peaceably quit and surrender the premises without further notice and without the necessity of litigation.

(c) Notwithstanding any other provision to the contrary in this Lease, it is expressly agreed by and between the parties that this Lease is subject to the provisions of Title 33, Chapter 3, Article 4 of the Arizona Revised Statutes.

14. Notice of Lien.

(a) Lessor shall have a possessory lien from the date rent is unpaid and due in all personal property stored within the Leased Premises. Property stored in the Leased Premises may be sold to satisfy the lien if Lessee is in default. In order to provide notice of sale to enforce the Lessor's possessory lien, Lessee agrees to and shall disclose, upon request by Lessor, any lienholder or secured parties who have an interest in property that is or will be stored on the premises.

(b) It is expressly agreed by and between the parties that this Lease is subject to the provisions of Title 33, Chapter 7, Article 7 of the Arizona Revised Statutes.

15. Personal Interest. Lessee warrants that it did not collude with any other party or parties for the purpose of preventing any other bid for this Lease being made.

16. Attorneys' Fees; Costs. In the event of any litigation or other proceeding concerning this Lease, the prevailing party shall be entitled to its reasonable costs and attorneys' fees from the other party.

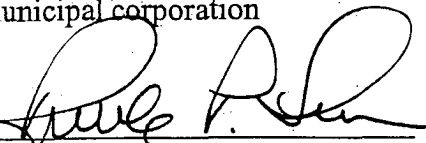
17. Conflict of Interest. Pursuant to A.R.S. § 38-511, the City of Prescott may cancel this Lease, without penalty or further obligation, if any person significantly involved in initiating, negotiating, securing, drafting or creating the Lease on behalf of the City of Prescott is, at any time while the Lease or any extension of the Lease is in effect, an employee or agent of any other party to the Lease in any capacity or a consultant to any other party of the Lease with respect to the subject matter of the Lease. In the foregoing event, the City of Prescott further elects to recoup any fee or commission paid or due to any person significantly involved in initiating, negotiating, securing, drafting or creating this Lease on behalf of the City of Prescott from any other party to the Lease, arising as a result of this Lease.

18. The parties intend that, to the extent of the property that is leased by Lessee from Lessor herein, this Lease shall replace and supersede the lease executed by the City of Prescott on November 9, 1994, and by Charles R. James for Bonanza Enterprises, Inc., on November 3, 1994, which is known as lease #94-124.

IN WITNESS WHEREOF, the parties hereto have executed this Lease the day and year first above written.

LESSOR:

CITY OF PRESCOTT,  
A municipal corporation

By   
Rowle Simmons, Mayor

ATTEST:

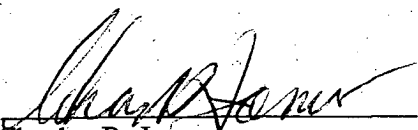
  
Marie Watson, City Clerk

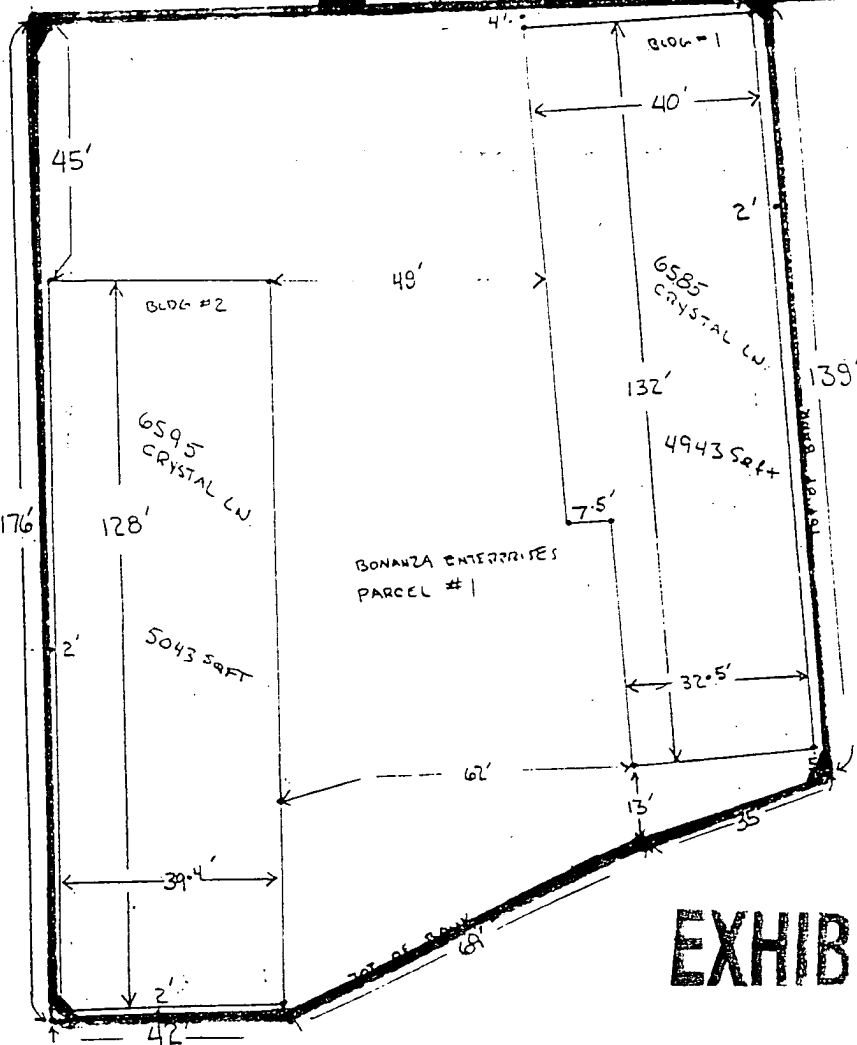
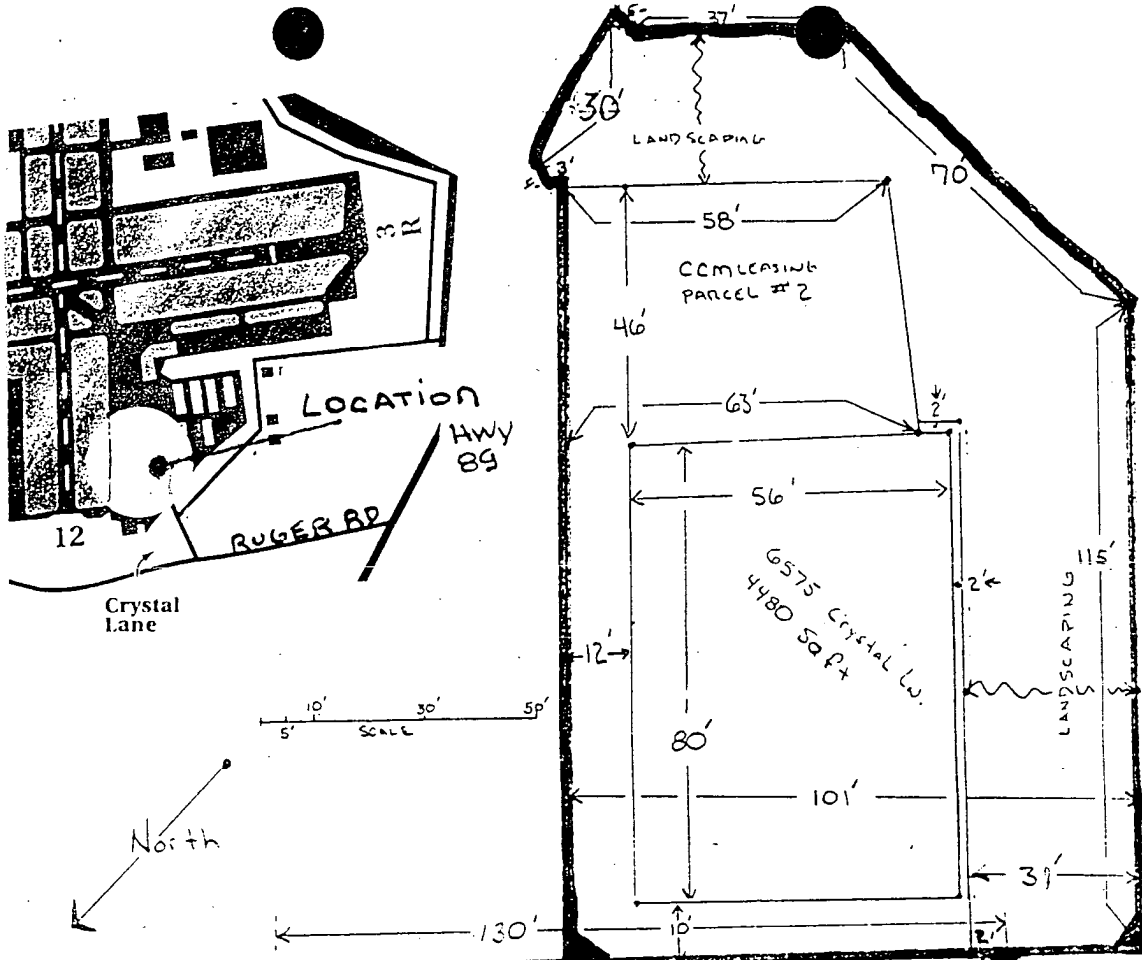
APPROVED AS TO FORM:

  
John Moffitt, City Attorney

LESSEE:

BONANZA ENTERPRISES, INC.

By:   
Charles R. James



**EXHIBIT A**

**AIRPORT LIABILITY  
ADDITIONAL INSURED  
CERTIFICATE OF INSURANCE**



Policy Number UA00138598-04 issued by U.S. Specialty Insurance Company of Houston Texas was issued to:

Named Insured And Address  
 GUIDANCE HELICOPTERS, INC.  
 6565 CRYSTAL LANE  
 PRESCOTT, AZ 86301

This certificate of insurance neither affirmatively or negatively amends, extends or alters the coverage afforded by the Policy described herein

*ole*

And is in force from 09/20/2006 to 09/20/2007. The insurance afforded by the policy is only with respect to the Coverages for which a limit is shown under the Limits of Liability column.

Airport: ERNEST A. LOVE FIELD

LIMITS OF LIABILITY		COVERAGES
\$	Each Person	<b>A</b> AIRPORT BODILY INJURY AND PROPERTY DAMAGE LIABILITY
\$	500,000 Each Occurrence	
\$	1,000,000 Aggregate	
\$	100,000 Each Person	<b>B</b> PRODUCTS COMPLETED OPERATIONS HAZARD BODILY INJURY AND PROPERTY DAMAGE LIABILITY
\$	1,000,000 Each Occurrence	
\$	1,000,000 Aggregate	
\$	Any One Aircraft	<b>C</b> HANGARKEEPERS LIABILITY
\$	Each Occurrence	
\$	Deductible	
\$	Each Person	<b>D</b> MEDICAL PAYMENTS
\$	Each Occurrence	

In the event of cancellation of the above described Policy, the company, if possible, will notify the Certificate Holder, shown below, 10 days prior to such cancellation.

**CERTIFICATE ISSUED TO:**

CITY OF PRESCOTT  
 P.O. BOX 2059  
 PRESCOTT, AZ 86302

**U.S. SPECIALTY INSURANCE COMPANY**

P.O. Box 797408, Dallas, TX 75379-7408

EXECUTED THIS 20th DAY OF Sep, 2006

By

*[Signature]*

Authorized Representative

The Certificate holder is included as an additional insured but only with respect to liability arising out of the Named Insured's maintenance or use of the airport.

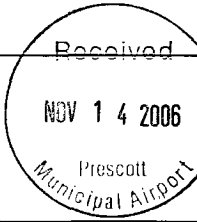
This is a Memorandum of Insurance and not a Policy of Insurance and no action may be brought hereunder. It is furnished only as evidence that the Insurance Policy described herein has been issued by this company.



**ACORD™ CERTIFICATE OF LIABILITY INSURANCE** DATE (MM/DD/YYYY)  
10/25/2006

PRODUCER (435) 645-8100 FAX: (435) 645-8137  
Aviation Insurance Services of Utah, Inc.  
3247 W. Santa Fe Rd  
  
Park City UT 84098  
  
INSURED  
OMNIFLIGHT HELICOPTERS, INC.  
16415 ADDISON ROAD  
SUITE 400  
ADDISON TX 75001

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.



INSURERS AFFORDING COVERAGE	NAIC #
INSURER A: SEE SECURITY ENDORSEMENT	
INSURER B:	
INSURER C:	
INSURER D:	
INSURER E:	

**COVERAGES**

THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. AGGREGATE LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR	ADD'L LTR	INSRD	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS
A			<b>GENERAL LIABILITY</b> <input type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS MADE <input checked="" type="checkbox"/> OCCUR <input checked="" type="checkbox"/> AVIATION GENERAL <input type="checkbox"/> LIAB. INCLUDING WAR GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC	SEE SECURITY ENDORSEMENT	11/1/2006	11/1/2007	EACH OCCURRENCE \$ 25,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 100,000 MED EXP (Any one person) \$ 50,000 PERSONAL & ADV INJURY \$ 25,000,000 GENERAL AGGREGATE \$ PRODUCTS - COMP/OP AGG \$ 25,000,000
			<b>AUTOMOBILE LIABILITY</b> <input type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> NON-OWNED AUTOS				COMBINED SINGLE LIMIT (Ea accident) \$ BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$
			<b>GARAGE LIABILITY</b> <input type="checkbox"/> ANY AUTO				AUTO ONLY - EA ACCIDENT \$ OTHER THAN EA ACC \$ AUTO ONLY: AGG \$
			<b>EXCESS/UMBRELLA LIABILITY</b> <input type="checkbox"/> OCCUR <input type="checkbox"/> CLAIMS MADE <input type="checkbox"/> DEDUCTIBLE <input type="checkbox"/> RETENTION \$				EACH OCCURRENCE \$ AGGREGATE \$ \$ \$
			<b>WORKERS COMPENSATION AND EMPLOYERS' LIABILITY</b> ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? If yes, describe under SPECIAL PROVISIONS below				<input type="checkbox"/> WC STATU-TORY LIMITS <input type="checkbox"/> OTH-ER E.L. EACH ACCIDENT \$ E.L. DISEASE - EA EMPLOYEE \$ E.L. DISEASE - POLICY LIMIT \$
A			OTHER	SEE SECURITY ENDORSEMENT	11/1/2006	11/1/2007	SEE BELOW

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/EXCLUSIONS ADDED BY ENDORSEMENT/SPECIAL PROVISIONS  
 AIRCRAFT LIABILITY INCLUDING WAR: \$25,000,000 COMBINED SINGLE LIMIT BODILY INJURY AND PROPERTY DAMAGE INCLUDING PASSENGER LIABILITY

<b>CERTIFICATE HOLDER</b>  City of Prescott Ernest A. Love Field 6546 Crystal Lane Prescott, AZ 86301	<b>CANCELLATION</b>  SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING INSURER WILL ENDEAVOR TO MAIL <u>30</u> DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO DO SO SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE INSURER, ITS AGENTS OR REPRESENTATIVES.  AUTHORIZED REPRESENTATIVE Michael Lumpkin/MHL <i>Michael Lumpkin</i>
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## **IMPORTANT**

If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

## **DISCLAIMER**

The Certificate of Insurance on the reverse side of this form does not constitute a contract between the issuing insurer(s), authorized representative or producer, and the certificate holder, nor does it affirmatively or negatively amend, extend or alter the coverage afforded by the policies listed thereon.

## COMMENTS/REMARKS

### ADDITIONAL INSURED

The "Who's covered" section of your policy, under "Your Liability Coverage, " shall include City of Prescott/Earnest A. Love Field, but only for claims of bodily injury, mental anguish or property damage while the insured aircraft is being operated by, for, or with the permission of the "Named Insured."

# COMMENTS/REMARKS

## SECURITY ENDORSEMENT

COMPANY - POLICY NO. - % PART.

MEMBER COMPANIES OF UNITED STATES AIRCRAFT INSURANCE GROUP ON BEHALF OF UNITED STATES AVIATION UNDERWRITERS -SIHL1-749G -40%

NATIONAL UNION FIRE INSURANCE COMPANY OF PITTSBURGH, PA THROUGH AIG AVIATION -FQ 3217919-10 -22.5%

FEDERAL INSURANCE COMPANY THROUGH STARR AVIATION -9957-0011 -12.5%

ARCH INSURANCE COMPANY THROUGH INTERNATIONAL AEROSPACE INSURANCE SERVICES -11RAA5482000 -10%

XL SPECIALTY INSURANCE COMPANY -UA00002366AV06A -10%

HOUSTON CASUALTY COMPANY -014551-011 -5%

TOTAL -100%

## NAMED INSURED COMPLETION

OF Air Holdings Corporation; Omniflight Helicopters, Inc.; Kestrel Acquisition Corporation; Omniflight, Inc.; Omniflight Helicopter Services, Inc. dba Fleet Management Resources, Inc.; Georgia Aeromedical dba Air Rescue 1; MedServe Georgia, LLC; Kestrel Air Medical Partners, Inc.; Air Medical Partners, LLC; Omni Transport Systems, Dallas, LLC aka North Texas; Omni Transport Systems, Alabama, LLC aka LifeSaver, LLC; Omni Transport Systems, Charleston, LLC aka Meducare, LLC; Omni Transport Systems, Florida, LLC; Native Air Services, Inc.; Native American Air Ambulance, Inc.; OTS (SUB), LLC and all other divisions, subsidiaries, affiliates, companies corporations, and other business entities now or hereafter owned, operated or controlled by the aforementioned; and including executives, officers, directors, stockholders, employees, or agents while acting within the scope of their duties as such for their respective rights and interests.

## REPORTING FORM

The coverages certified hereon are provided under a reporting form policy. If the Named Insured deletes the aircraft from their monthly report to Underwriters, all coverages will be terminated without further notice. The Named Insured has sole control over adding, deleting or amending amounts or coverages. Applicable coverage subject to change based upon operation status of any aircraft.



**STARR  
COMPANIES**

GLOBAL INSURANCE & INVESTMENTS

3353 Peachtree Road NE, Suite 1000  
Atlanta, GA 30326

**Certificate of Insurance**

**Certificate Holder:** CITY OF PRESCOTT  
201 S. CORTEZ  
PRESCOTT, AZ 86303

**Named Insured:** GUIDANCE ACADEMY, LLC, IT'S DBA'S, PARENTS AND SUBSIDIARIES, AFFILIATES,  
OFFICERS, DIRECTORS, AND EMPLOYEES  
6565 CRYSTAL LANE  
PRESCOTT, AZ 86301

**Policy Period:** From NOVEMBER 30, 2015 To NOVEMBER 30, 2016

**Policy Number:** 1000206840-03

**Issuing Company:** STARR INDEMNITY & LIABILITY COMPANY

This is to certify that the policy(ies) listed herein have been issued providing coverage for the listed insured as further described. This certificate of insurance is not an insurance policy and does not amend, extend, or alter the coverage afforded by the policy(ies) listed herein. Notwithstanding any requirement, term or condition of any contract, or other document with respect to which this certificate of insurance may be concerned or may pertain, the insurance afforded by the policy(ies) listed on this certificate is subject to all the terms, exclusions, and conditions of such policy(ies).

Aviation Commercial General Liability	Limits of Insurance
Each Occurrence Limit	\$ 3,000,000.
Damage to Premises Rented to You Limit	\$ 100,000. Any one premises
Medical Expense Limit	\$ 5,000. Any one person
Personal & Advertising Injury Aggregate Limit	\$ 2,000,000.
General Aggregate Limit	\$ NOT APPLICABLE
Products/Completed Operations Aggregate Limit	\$ 2,000,000.
Hangarkeepers Limit	
Each Aircraft Limit	\$ 500,000.
Each Loss Limit	\$ 1,000,000.
Hangarkeeper's Deductible	\$ 7,500. Each Aircraft

THE CERTIFICATE HOLDER IS INCLUDED AS AN ADDITIONAL INSURED UNDER LIABILITY COVERAGES BUT ONLY AS RESPECTS THE OPERATIONS OF THE NAMED INSURED.

THE CERTIFICATE HOLDER WILL BE PROVIDED WITH THIRTY (30) DAYS (TEN (10) DAYS IF FOR NON-PAYMENT OF PREMIUM) NOTICE OF CANCELLATION OR MATERIAL CHANGE

AS RESPECTS THE FOLLOWING:

- 1993-067 (TAILWHEELS)
- 1988-142 (MH PROPERTIES)
- 2011-003 (MACCURDY DRIVE)
- 2011-100 (6540 CRYSTAL LANE)
- 2009-057 (ECHO RAMP)
- 2009-068 (SOUTH RAMP)
- 2002-249 (6585 & 6595 CRYSTAL LANE - 6-PAC HANGARS)
- 2015-082 (QUONSET HUT), 6524 JANINE DRIVE, PRESCOTT, AZ
- 2015-089 (LINCOLN HANGAR), 6567 JANINE DRIVE, PRESCOTT, AZ

Certificate Number: 6.1  
Issued By and Date: NOVEMBER 30, 2015 (JT)

By   
(Authorized Representative)

**ADDITIONAL INSURED - DESIGNATED PERSON OR ORGANIZATION**

This endorsement modifies insurance provided under the following:

**COMMERCIAL GENERAL LIABILITY COVERAGE FORM**

**SCHEDULE**

<b>Name of Additional Insured Person(s) or Organization(s):</b>  CITY OF PRESCOTT 201 S. CORTEZ PRESCOTT, AZ 86303
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

**SECTION II - WHO IS AN INSURED** is amended to include as an additional Insured the person(s) or organization(s) shown in the Schedule, but only with respect to liability for "bodily injury", "property damage" or "personal and advertising injury" caused, in whole or in part, by your acts or omissions or the acts or omissions of those acting on your behalf:

- A. In the performance of your ongoing operations; or
- B. In connection with your premises owned by or rented to you.


All other provisions of this policy remain the same.

This endorsement becomes effective NOVEMBER 30, 2015 to be attached to and hereby made a part of:  
Policy No. 1000206840-03  
Issued to GUIDANCE ACADEMY, LLC

By STARR INDEMNITY & LIABILITY COMPANY

Endorsement No. TBA

Date of Issue NOVEMBER 30, 2015 (JT)

By   
(Authorized Representative)