

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549**

**Form 10-Q**

**QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

**FOR THE QUARTERLY PERIOD ENDED MARCH 31, 2020**

**TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

**FOR THE TRANSITION PERIOD FROM \_\_\_\_\_ TO \_\_\_\_\_**

**Commission File No. 001-37917**

**Mammoth Energy Services, Inc.**

(Exact name of registrant as specified in its charter)

**Delaware**

(State or other jurisdiction of  
incorporation or organization)

**32-0498321**

(I.R.S. Employer  
Identification No.)

**14201 Caliber Drive, Suite 300  
Oklahoma City, Oklahoma**

(Address of principal executive offices)

**(405) 608-6007**

(Registrant's telephone number, including area code)

**73134**

(Zip Code)

**Securities registered pursuant to Section 12(b) of The Act:**

**Title of each class**

Common Stock

**Trading Symbol(s)**

TUSK

**Name of each exchange on which registered**

(The Nasdaq Stock Market LLC)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes  No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	<input type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>
		Emerging growth company	<input type="checkbox"/>

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes  No

As of May 6, 2020, there were 45,713,562 shares of common stock, \$0.01 par value, outstanding.

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## GLOSSARY OF OIL AND NATURAL GAS AND ELECTRICAL INFRASTRUCTURE TERMS

The following is a glossary of certain oil and natural gas industry terms used in this report:

Acidizing	To pump acid into a wellbore to improve a well's productivity or injectivity.
Blowout	An uncontrolled flow of reservoir fluids into the wellbore, and sometimes catastrophically to the surface. A blowout may consist of salt water, oil, natural gas or a mixture of these. Blowouts can occur in all types of exploration and production operations, not just during drilling operations. If reservoir fluids flow into another formation and do not flow to the surface, the result is called an underground blowout. If the well experiencing a blowout has significant open-hole intervals, it is possible that the well will bridge over (or seal itself with rock fragments from collapsing formations) down-hole and intervention efforts will be averted.
Bottomhole assembly	The lower portion of the drillstring, consisting of (from the bottom up in a vertical well) the bit, bit sub, a mud motor (in certain cases), stabilizers, drill collar, heavy-weight drillpipe, jarring devices ("jars") and crossovers for various threadforms. The bottomhole assembly must provide force for the bit to break the rock (weight on bit), survive a hostile mechanical environment and provide the driller with directional control of the well. Oftentimes the assembly includes a mud motor, directional drilling and measuring equipment, measurements-while-drilling tools, logging-while-drilling tools and other specialized devices.
Cementing	To prepare and pump cement into place in a wellbore.
Coiled tubing	A long, continuous length of pipe wound on a spool. The pipe is straightened prior to pushing into a wellbore and rewound to coil the pipe back onto the transport and storage spool. Depending on the pipe diameter (1 in. to 4 1/2 in.) and the spool size, coiled tubing can range from 2,000 ft. to 23,000 ft. (610 m to 6,096 m) or greater length.
Completion	A generic term used to describe the assembly of down-hole tubulars and equipment required to enable safe and efficient production from an oil or gas well. The point at which the completion process begins may depend on the type and design of the well.
Directional drilling	The intentional deviation of a wellbore from the path it would naturally take. This is accomplished through the use of whipstocks, bottomhole assembly (BHA) configurations, instruments to measure the path of the wellbore in three-dimensional space, data links to communicate measurements taken down-hole to the surface, mud motors and special BHA components and drill bits, including rotary steerable systems, and drill bits. The directional driller also exploits drilling parameters such as weight on bit and rotary speed to deflect the bit away from the axis of the existing wellbore. In some cases, such as drilling steeply dipping formations or unpredictable deviation in conventional drilling operations, directional-drilling techniques may be employed to ensure that the hole is drilled vertically. While many techniques can accomplish this, the general concept is simple: point the bit in the direction that one wants to drill. The most common way is through the use of a bend near the bit in a down-hole steerable mud motor. The bend points the bit in a direction different from the axis of the wellbore when the entire drillstring is not rotating. By pumping mud through the mud motor, the bit turns while the drillstring does not rotate, allowing the bit to drill in the direction it points. When a particular wellbore direction is achieved, that direction may be maintained by rotating the entire drillstring (including the bent section) so that the bit does not drill in a single direction off the wellbore axis, but instead sweeps around and its net direction coincides with the existing wellbore. Rotary steerable tools allow steering while rotating, usually with higher rates of penetration and ultimately smoother boreholes.
Down-hole	Pertaining to or in the wellbore (as opposed to being on the surface).
Down-hole motor	A drilling motor located in the drill string above the drilling bit powered by the flow of drilling mud. Down-hole motors are used to increase the speed and efficiency of the drill bit or can be used to steer the bit in directional drilling operations. Drilling motors have become very popular because of horizontal and directional drilling applications and the day rates for drilling rigs.
Drilling rig	The machine used to drill a wellbore.
Drillpipe or Drill pipe	Tubular steel conduit fitted with special threaded ends called tool joints. The drillpipe connects the rig surface equipment with the bottomhole assembly and the bit, both to pump drilling fluid to the bit and to be able to raise, lower and rotate the bottomhole assembly and bit.
Drillstring or Drill string	The combination of the drillpipe, the bottomhole assembly and any other tools used to make the drill bit turn at the bottom of the wellbore.
Flowback	The process of allowing fluids to flow from the well following a treatment, either in preparation for a subsequent phase of treatment or in preparation for cleanup and returning the well to production.
Horizontal drilling	A subset of the more general term "directional drilling," used where the departure of the wellbore from vertical exceeds about 80 degrees. Note that some horizontal wells are designed such that after reaching true 90-degree horizontal, the wellbore may actually start drilling upward. In such cases, the angle past 90 degrees is continued, as in 95 degrees, rather than reporting it as deviation from vertical, which would then be 85 degrees. Because a horizontal well typically penetrates a greater length of the reservoir, it can offer significant production improvement over a vertical well.
Hydraulic fracturing	A stimulation treatment routinely performed on oil and gas wells in low permeability reservoirs. Specially engineered fluids are pumped at high pressure and rate into the reservoir interval to be treated, causing a vertical fracture to open. The wings of the fracture extend away from the wellbore in opposing directions according to the natural stresses within the formation. Proppant, such as grains of sand of a particular size, is mixed with the treatment fluid to keep the fracture open when the treatment is complete. Hydraulic fracturing creates high-conductivity communication with a large area of formation and bypasses any damage that may exist in the near-wellbore area.

Hydrocarbon	A naturally occurring organic compound comprising hydrogen and carbon. Hydrocarbons can be as simple as methane, but many are highly complex molecules, and can occur as gases, liquids or solids. Petroleum is a complex mixture of hydrocarbons. The most common hydrocarbons are natural gas, oil and coal.
Mesh size	The size of the proppant that is determined by sieving the proppant through screens with uniform openings corresponding to the desired size of the proppant. Each type of proppant comes in various sizes, categorized as mesh sizes, and the various mesh sizes are used in different applications in the oil and natural gas industry. The mesh number system is a measure of the number of equally sized openings per square inch of screen through which the proppant is sieved.
Mud motors	A positive displacement drilling motor that uses hydraulic horsepower of the drilling fluid to drive the drill bit. Mud motors are used extensively in directional drilling operations.
Natural gas liquids	Components of natural gas that are liquid at surface in field facilities or in gas processing plants. Natural gas liquids can be classified according to their vapor pressures as low (condensate), intermediate (natural gasoline) and high (liquefied petroleum gas) vapor pressure.
Nitrogen pumping unit	A high-pressure pump or compressor unit capable of delivering high-purity nitrogen gas for use in oil or gas wells. Two basic types of units are commonly available: a nitrogen converter unit that pumps liquid nitrogen at high pressure through a heat exchanger or converter to deliver high-pressure gas at ambient temperature, and a nitrogen generator unit that compresses and separates air to provide a supply of high pressure nitrogen gas.
Plugging	The process of permanently closing oil and gas wells no longer capable of producing in economic quantities. Plugging work can be performed with a well servicing rig along with wireline and cementing equipment; however, this service is typically provided by companies that specialize in plugging work.
Plug	A down-hole packer assembly used in a well to seal off or isolate a particular formation for testing, acidizing, cementing, etc.; also a type of plug used to seal off a well temporarily while the wellhead is removed.
Pounds per square inch	A unit of pressure. It is the pressure resulting from a one pound force applied to an area of one square inch.
Pressure pumping	Services that include the pumping of liquids under pressure.
Producing formation	An underground rock formation from which oil, natural gas or water is produced. Any porous rock will contain fluids of some sort, and all rocks at considerable distance below the Earth's surface will initially be under pressure, often related to the hydrostatic column of ground waters above the reservoir. To produce, rocks must also have permeability, or the capacity to permit fluids to flow through them.
Proppant	Sized particles mixed with fracturing fluid to hold fractures open after a hydraulic fracturing treatment. In addition to naturally occurring sand grains, man-made or specially engineered proppants, such as resin-coated sand or high-strength ceramic materials like sintered bauxite, may also be used. Proppant materials are carefully sorted for size and sphericity to provide an efficient conduit for production of fluid from the reservoir to the wellbore.
Resource play	Accumulation of hydrocarbons known to exist over a large area.
Shale	A fine-grained, fissile, sedimentary rock formed by consolidation of clay- and silt-sized particles into thin, relatively impermeable layers.
Tight oil	Conventional oil that is found within reservoirs with very low permeability. The oil contained within these reservoir rocks typically will not flow to the wellbore at economic rates without assistance from technologically advanced drilling and completion processes. Commonly, horizontal drilling coupled with multistage fracturing is used to access these difficult to produce reservoirs.
Tight sands	A type of unconventional tight reservoir. Tight reservoirs are those which have low permeability, often quantified as less than 0.1 millidarcies.
Tubulars	A generic term pertaining to any type of oilfield pipe, such as drill pipe, drill collars, pup joints, casing, production tubing and pipeline.
Unconventional resource	A term for the different manner by which resources are exploited as compared to the extraction of conventional resources. In unconventional drilling, the wellbore is generally drilled to specific objectives within narrow parameters, often across long, lateral intervals within narrow horizontal formations offering greater contact area with the producing formation. Typically, the well is then hydraulically fractured at multiple stages to optimize production.
Wellbore	The physical conduit from surface into the hydrocarbon reservoir.
Well stimulation	A treatment performed to restore or enhance the productivity of a well. Stimulation treatments fall into two main groups, hydraulic fracturing treatments and matrix treatments. Fracturing treatments are performed above the fracture pressure of the reservoir formation and create a highly conductive flow path between the reservoir and the wellbore. Matrix treatments are performed below the reservoir fracture pressure and generally are designed to restore the natural permeability of the reservoir following damage to the near wellbore area. Stimulation in shale gas reservoirs typically takes the form of hydraulic fracturing treatments.
Wireline	A general term used to describe well-intervention operations conducted using single-strand or multi-strand wire or cable for intervention in oil or gas wells. Although applied inconsistently, the term commonly is used in association with electric logging and cables incorporating electrical conductors.
Workover	The process of performing major maintenance or remedial treatments on an oil or gas well. In many cases, workover implies the removal and replacement of the production tubing string after the well has been killed and a workover rig has been placed on location. Through-tubing workover operations, using coiled tubing, snubbing or slickline equipment, are routinely conducted to complete treatments or well service activities that avoid a full workover where the tubing is removed. This operation saves considerable time and expense.

The following is a glossary of certain electrical infrastructure industry terms used in this report:

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Distribution	The distribution of electricity from the transmission system to individual customers.
Substation	A part of an electrical transmission and distribution system that transforms voltage from high to low, or the reverse.
Transmission	The movement of electrical energy from a generating site, such as a power plant, to an electric substation.

## CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

Various statements contained in this report that express a belief, expectation, or intention, or that are not statements of historical fact, are forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, or the Securities Act, and Section 21E of the Securities Exchange Act of 1934, or the Exchange Act. In particular, the factors discussed in this report and detailed under Part II, Item 1A. Risk Factors in this report and our Annual Report on Form 10-K for the year ended December 31, 2019 could affect our actual results and cause our actual results to differ materially from expectations, estimates or assumptions expressed, forecasted or implied in such forward-looking statements.

Forward-looking statements may include statements about:

- the levels of capital expenditures by our customers and the impact of reduced drilling and completions activity on our oilfield services;
- the volatility of oil and natural gas prices and the extent and duration of price reductions and increased production by OPEC members and other oil exporting nations;
- the threat, occurrence, potential duration or other implications of epidemic or pandemic diseases, including the recent COVID-19 pandemic, or any government response to such occurrence or threat;
- our ability to protect the health and well-being of our employees during the ongoing COVID-19 pandemic;
- logistical challenges and remote working arrangements;
- the performance of contracts and supply chain disruptions during the ongoing COVID-19 pandemic;
- general economic, business or industry conditions;
- conditions in the capital, financial and credit markets;
- our ability to obtain capital or financing needed for our operations on favorable terms or at all;
- conditions of U.S. oil and natural gas industry and the effect of U.S. energy, monetary and trade policies;
- U.S. and global economic conditions and political and economic developments, including the outcome of the U.S. presidential election and resulting energy and environmental policies;
- our ability to execute our business and financial strategies;
- any loss of one or more of our significant customers and its impact on our revenue, financial condition and results of operations;
- our ability to identify, complete and integrate acquisitions of assets or businesses;
- our ability to receive, or delays in receiving, permits and governmental approvals and/or payments, and to comply with applicable governmental laws and regulations;
- outcome of a government investigation relating to the contracts awarded to one of our subsidiaries by the Puerto Rico Electric Power Authority and any resulting litigation;
- outcome of pending litigation discussed in this report;
- any future litigation, indemnity or other claims;
- regional supply and demand factors, delays or interruptions of production, and any governmental order, rule or regulation that may impose production limits on our customers;
- the availability of transportation, pipeline and storage facilities and any increase in related costs;
- access to and restrictions on use of water;
- technology;
- competition within the energy services industry;
- availability of equipment, materials or skilled labor;
- our ability to maintain compliance with financial covenants under our revolving credit facility;
- our ability to regain compliance with the minimum bid price and market value of our common stock required by the Nasdaq Global Select Market to maintain continued listing of our common stock;
- future operating results; and
- capital expenditures and other plans, objectives, expectations and intentions.

All of these types of statements, other than statements of historical fact included in this quarterly report, are forward-looking statements. These forward-looking statements may be found in the “Business,” “Risk Factors,” “Management’s Discussion and Analysis of Financial Condition and Results of Operations,” and other sections of this quarterly report. In some cases, you can identify forward-looking statements by terminology such as “may,” “will,” “could,” “should,” “would,” “expect,” “plan,” “project,” “budget,” “intend,” “anticipate,” “believe,” “estimate,” “predict,” “potential,” “pursue,” “target,” “seek,” “objective,” “continue,” “will be,” “will benefit,” or “will continue,” the negative of such terms or other comparable terminology.

The forward-looking statements contained in this report are largely based on our expectations, which reflect estimates and assumptions made by our management. These estimates and assumptions reflect our best judgment based on currently known market conditions and other factors, which are difficult to predict and many of which are beyond our control. Although we believe such estimates and assumptions to be reasonable, they are inherently uncertain and involve a number of risks and uncertainties that are beyond our control. In addition, our management's assumptions about future events may prove to be inaccurate. Our management cautions all readers that the forward-looking statements contained in this report are not guarantees of future performance, and we cannot assure any reader that such statements will be realized or the forward-looking events and circumstances will occur. Actual results may differ materially from those anticipated or implied in the forward-looking statements due to many factors including those described in Part II, Item 1A. Risk Factors in this report and our Annual Report on Form 10-K for the year ended December 31, 2019 and Item 2. "Management's Discussion and Analysis of Financial Condition and Results of Operations" and elsewhere in this report. All forward-looking statements speak only as of the date of this report. We do not intend to publicly update or revise any forward-looking statements as a result of new information, future events or otherwise. These cautionary statements qualify all forward-looking statements attributable to us or persons acting on our behalf.

MAMMOTH ENERGY SERVICES, INC.

PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

MAMMOTH ENERGY SERVICES, INC.  
CONDENSED CONSOLIDATED BALANCE SHEETS (unaudited)

ASSETS	March 31, 2020	December 31, 2019
(in thousands)		
CURRENT ASSETS		
Cash and cash equivalents	\$ 13,180	\$ 5,872
Accounts receivable, net	371,755	363,053
Receivables from related parties	17,790	7,523
Inventories	13,193	17,483
Prepaid expenses	8,250	12,354
Other current assets	866	695
Total current assets	425,034	406,980
Property, plant and equipment, net	316,068	352,772
Sand reserves	68,351	68,351
Operating lease right-of-use assets	38,838	43,446
Intangible assets, net - customer relationships	540	583
Intangible assets, net - trade names	4,996	5,205
Goodwill	12,608	67,581
Other non-current assets	7,576	7,467
Total assets	\$ 874,011	\$ 952,385
<b>LIABILITIES AND EQUITY</b>		
CURRENT LIABILITIES		
Accounts payable	\$ 42,993	\$ 39,220
Payables to related parties	82	526
Accrued expenses and other current liabilities	39,727	40,754
Current operating lease liability	15,484	16,432
Income taxes payable	28,699	33,465
Total current liabilities	126,985	130,397
Long-term debt	88,350	80,000
Deferred income tax liabilities	41,873	36,873
Long-term operating lease liability	23,236	27,102
Asset retirement obligations	4,586	4,241
Other liabilities	4,573	5,031
Total liabilities	289,603	283,644
COMMITMENTS AND CONTINGENCIES (Note 18)		
EQUITY		
Equity:		
Common stock, \$0.01 par value, 200,000,000 shares authorized, 45,713,563 and 45,108,545 issued and outstanding at March 31, 2020 and December 31, 2019	457	451
Additional paid in capital	536,140	535,094
Retained earnings	52,531	136,502
Accumulated other comprehensive loss	(4,720)	(3,306)
Total equity	584,408	668,741
Total liabilities and equity	\$ 874,011	\$ 952,385

The accompanying notes are an integral part of these condensed consolidated financial statements.

MAMMOTH ENERGY SERVICES, INC.

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE (LOSS) INCOME (unaudited)

	Three Months Ended March 31,	
	2020	2019
(in thousands, except per share amounts)		
<b>REVENUE</b>		
Services revenue	\$ 68,845	\$ 193,101
Services revenue - related parties	18,013	44,073
Product revenue	8,650	12,309
Product revenue - related parties	1,875	12,655
<b>Total revenue</b>	<b>97,383</b>	<b>262,138</b>
<b>COST AND EXPENSES</b>		
Services cost of revenue (exclusive of depreciation, depletion, amortization and accretion of \$ 23,554 and \$25,682, respectively, for the three months ended March 31, 2020 and 2019)	70,697	158,106
Services cost of revenue - related parties (exclusive of depreciation, depletion, amortization and accretion of \$ 0 and \$0, respectively, for the three months ended March 31, 2020 and 2019)	101	713
Product cost of revenue (exclusive of depreciation, depletion, amortization and accretion of \$ 2,309 and \$2,871, respectively, for the three months ended March 31, 2020 and 2019)	11,108	30,251
Selling, general and administrative (Note 11)	10,556	16,902
Selling, general and administrative - related parties (Note 11)	215	434
Depreciation, depletion, amortization and accretion	25,882	28,576
Impairment of goodwill	54,973	—
Impairment of other long-lived assets	12,897	—
<b>Total cost and expenses</b>	<b>186,429</b>	<b>234,982</b>
<b>Operating (loss) income</b>	<b>(89,046)</b>	<b>27,156</b>
<b>OTHER INCOME (EXPENSE)</b>		
Interest expense, net	(1,638)	(523)
Other, net	7,409	24,557
<b>Total other income (expense)</b>	<b>5,771</b>	<b>24,034</b>
<b>(Loss) income before income taxes</b>	<b>(83,275)</b>	<b>51,190</b>
<b>(Benefit) provision for income taxes</b>	<b>696</b>	<b>22,857</b>
<b>Net (loss) income</b>	<b>\$ (83,971)</b>	<b>\$ 28,333</b>
<b>OTHER COMPREHENSIVE (LOSS) INCOME</b>		
Foreign currency translation adjustment, net of tax of \$361 and (\$90), respectively, for the three months ended March 31, 2020 and 2019	(1,414)	356
<b>Comprehensive (loss) income</b>	<b>\$ (85,385)</b>	<b>\$ 28,689</b>
<b>Net (loss) income per share (basic) (Note 14)</b>	<b>\$ (1.85)</b>	<b>\$ 0.63</b>
<b>Net (loss) income per share (diluted) (Note 14)</b>	<b>\$ (1.85)</b>	<b>\$ 0.63</b>
<b>Weighted average number of shares outstanding (basic) (Note 14)</b>	<b>45,314</b>	<b>44,929</b>
<b>Weighted average number of shares outstanding (diluted) (Note 14)</b>	<b>45,314</b>	<b>45,063</b>
<b>Dividends declared per share</b>	<b>\$ —</b>	<b>\$ 0.125</b>

The accompanying notes are an integral part of these condensed consolidated financial statements.

MAMMOTH ENERGY SERVICES, INC.

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (unaudited)

Three Months Ended March 31, 2020						
	Common Stock		Retained Earnings	Additional Paid-In Capital	Accumulated Other Comprehensive Loss	Total
	Shares	Amount				
	(in thousands)					
Balance at December 31, 2019	45,109	\$ 451	\$ 136,502	\$ 535,094	\$ (3,306)	\$ 668,741
Stock based compensation	605	6	—	1,046	—	1,052
Net loss	—	—	(83,971)	—	—	(83,971)
Other comprehensive loss	—	—	—	—	(1,414)	(1,414)
Balance at March 31, 2020	45,714	\$ 457	\$ 52,531	\$ 536,140	\$ (4,720)	\$ 584,408

Three Months Ended March 31, 2019						
	Common Stock		Retained Earnings	Additional Paid-In Capital	Accumulated Other Comprehensive Loss	Total
	Shares	Amount				
	(in thousands)					
Balance at December 31, 2018	44,877	\$ 449	\$ 226,765	\$ 530,919	\$ (4,081)	\$ 754,052
Stock based compensation	—	—	—	1,289	—	1,289
Net income	—	—	28,333	—	—	28,333
Cash dividends paid (\$0.125 per share)	—	—	(5,610)	—	—	(5,610)
Other comprehensive income	—	—	—	—	356	356
Balance at March 31, 2019	44,877	\$ 449	\$ 249,488	\$ 532,208	\$ (3,725)	\$ 778,420

The accompanying notes are an integral part of these condensed consolidated financial statements.

**MAMMOTH ENERGY SERVICES, INC.**  
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (unaudited)

	Three Months Ended March 31,	
	2020	2019
	(in thousands)	
Cash flows from operating activities:		
Net (loss) income	\$ (83,971)	\$ 28,333
Adjustments to reconcile net (loss) income to cash provided by (used in) operating activities:		
Stock based compensation	1,049	1,289
Depreciation, depletion, accretion and amortization	25,882	28,576
Amortization of coil tubing strings	237	535
Amortization of debt origination costs	452	82
Bad debt expense	55	4
(Gain) loss on disposal of property and equipment	(673)	94
Impairment of goodwill	54,973	—
Impairment of other long-lived assets	12,897	—
Deferred income taxes	5,361	(15,476)
Other	432	41
Changes in assets and liabilities, net of acquisitions of businesses:		
Accounts receivable, net	(8,569)	(67,093)
Receivables from related parties	(10,267)	(33,868)
Inventories	4,053	1,854
Prepaid expenses and other assets	3,929	2,389
Accounts payable	2,078	(353)
Payables to related parties	(444)	239
Accrued expenses and other liabilities	(1,220)	(4,956)
Income taxes payable	(4,713)	(44,684)
Net cash provided by (used in) operating activities	1,541	(102,994)
Cash flows from investing activities:		
Purchases of property and equipment	(1,424)	(20,273)
Purchases of property and equipment from related parties	(76)	—
Contributions to equity investee	—	(480)
Proceeds from disposal of property and equipment	558	1,500
Net cash used in investing activities	(942)	(19,253)
Cash flows from financing activities:		
Borrowings from lines of credit	17,300	82,000
Repayments of lines of credit	(8,950)	—
Principal payments on financing leases and equipment financing notes	(452)	(457)
Dividends paid	—	(5,610)
Debt issuance costs	(1,000)	—
Net cash provided by financing activities	6,898	75,933
Effect of foreign exchange rate on cash	(189)	32
Net change in cash and cash equivalents	7,308	(46,282)
Cash and cash equivalents at beginning of period	5,872	67,625
Cash and cash equivalents at end of period	\$ 13,180	\$ 21,343
Supplemental disclosure of cash flow information:		
Cash paid for interest	\$ 1,285	\$ 294
Cash paid for income taxes	\$ 62	\$ 91,955
Supplemental disclosure of non-cash transactions:		
Purchases of property and equipment included in accounts payable and accrued expenses	\$ 4,347	\$ 5,016

The accompanying notes are an integral part of these condensed consolidated financial statements.

**MAMMOTH ENERGY SERVICES, INC.**  
NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

**1. Organization and Nature of Business**

Mammoth Energy Services, Inc. (“Mammoth Inc.” or the “Company”), together with its subsidiaries, is an integrated, growth-oriented company serving both the oil and gas and the electric utility industries in North America and US territories. Mammoth Inc.’s infrastructure division provides construction, upgrade, maintenance and repair services to various public and private owned utilities. Its oilfield services division provides a diversified set of services to the exploration and production industry including pressure pumping, natural sand and proppant services and drilling services as well as coil tubing, equipment rental, full service transportation, crude oil hauling and remote accommodation services.

The Company was incorporated in Delaware in June 2016 as a wholly-owned subsidiary of Mammoth Energy Partners LP, a Delaware limited partnership (the “Partnership” or the “Predecessor”). The Partnership was originally formed by Wexford Capital LP (“Wexford”) in February 2014 as a holding company under the name Redback Energy Services Inc. and was converted to a Delaware limited partnership in August 2014. On November 24, 2014, Mammoth Energy Holdings LLC (“Mammoth Holdings,” an entity controlled by Wexford), Gulfport Energy Corporation (“Gulfport”) and Rhino Resource Partners LP (“Rhino”) contributed their interest in certain of the entities presented below to the Partnership in exchange for an aggregate of 20 million limited partner units. Mammoth Energy Partners GP, LLC (the “General Partner”) held a non-economic general partner interest.

On October 12, 2016, the Partnership was converted into a Delaware limited liability company named Mammoth Energy Partners LLC (“Mammoth LLC”), and then Mammoth Holdings, Gulfport and Rhino, as all the members of Mammoth LLC, contributed their member interests in Mammoth LLC to Mammoth Inc. Prior to the conversion and the contribution, Mammoth Inc. was a wholly-owned subsidiary of the Partnership. Following the conversion and the contribution, Mammoth LLC (as the converted successor to the Partnership) was a wholly-owned subsidiary of Mammoth Inc. Mammoth Inc. did not conduct any material business operations until Mammoth LLC was contributed to it. On October 19, 2016, Mammoth Inc. closed its initial public offering of 7,750,000 shares of common stock (the “IPO”), which included an aggregate of 250,000 shares that were offered by Mammoth Holdings, Gulfport and Rhino, at a price to the public of \$5.00 per share.

At March 31, 2020 and December 31, 2019, Wexford and Gulfport beneficially owned the following shares of outstanding common stock of Mammoth Inc.:

	At March 31, 2020		At December 31, 2019	
	Share Count	% Ownership	Share Count	% Ownership
Wexford	22,045,273	48.2 %	22,045,273	48.9 %
Gulfport	9,829,548	21.5 %	9,829,548	21.8 %
Outstanding shares owned by related parties	31,874,821	69.7 %	31,874,821	70.7 %
Total outstanding	45,713,563	100.0 %	45,108,545	100.0 %

**Operations**

The Company's infrastructure services include construction, upgrade, maintenance and repair services to the electrical infrastructure industry as well as repair and restoration services in response to storms and other disasters. The Company's pressure pumping services include equipment and personnel used in connection with the completion and early production of oil and natural gas wells. The Company's natural sand proppant services include the distribution and production of natural sand proppant that is used primarily for hydraulic fracturing in the oil and gas industry. The Company's drilling services provide drilling rigs and directional tools for both vertical and horizontal drilling of oil and natural gas wells. The Company also provides other services, including coil tubing, equipment rentals, crude oil hauling, full service transportation, remote accommodations, oilfield equipment manufacturing and infrastructure engineering and design services.

All of the Company’s operations are in North America. During certain of the periods presented in this report, the Company provided its infrastructure services primarily in the northeast, southwest and midwest portions of the United States and in Puerto Rico. The Company’s infrastructure business depends on infrastructure spending on maintenance, upgrade, expansion and repair and restoration. Any prolonged decrease in spending by electric utility companies, delays or reductions in government appropriations or the failure of customers to pay their receivables could have a material

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adverse effect on the Company's results of operations and financial condition. During the periods presented, the Company has operated its oil and natural gas businesses in the Permian Basin, the Utica Shale, the Eagle Ford Shale, the Marcellus Shale, the Granite Wash, the SCOOP, the STACK, the Cana-Woodford Shale, the Cleveland Sand and the oil sands located in Northern Alberta, Canada. The Company's oil and natural gas business depends in large part on the conditions in the oil and natural gas industry and, specifically, on the amount of capital spending by its customers. Any prolonged increase or decrease in oil and natural gas prices affects the levels of exploration, development and production activity, as well as the entire health of the oil and natural gas industry. Continuation of or further decreases in the commodity prices for oil and natural gas would have a material adverse effect on the Company's results of operations and financial condition.

## **2. Basis of Presentation and Significant Accounting Policies**

### ***Basis of Presentation***

The accompanying unaudited condensed consolidated interim financial statements include the accounts of the Company and its subsidiaries and the variable interest entities ("VIE") for which the Company is the primary beneficiary. All material intercompany accounts and transactions have been eliminated.

This report has been prepared in accordance with the rules and regulations of the Securities and Exchange Commission, and reflects all adjustments, which in the opinion of management are necessary for the fair presentation of the results for the interim periods, on a basis consistent with the annual audited consolidated financial statements. Certain information, accounting policies and footnote disclosures normally included in financial statements prepared in accordance with generally accepted accounting principles ("GAAP") have been omitted pursuant to such rules and regulations, although the Company believes that the disclosures are adequate to make the information presented not misleading. These unaudited condensed consolidated financial statements should be read in conjunction with the consolidated financial statements and the summary of significant accounting policies and notes thereto included in the Company's most recent annual report on Form 10-K.

### ***Accounts Receivable***

Accounts receivable include amounts due from customers for services performed or goods sold. The Company grants credit to customers in the ordinary course of business and generally does not require collateral. Prior to granting credit to customers, the Company analyzes the potential customer's risk profile by utilizing a credit report, analyzing macroeconomic factors and using its knowledge of the industry, among other factors. Most areas in the continental United States in which the Company operates provide for a mechanic's lien against the property on which the service is performed if the lien is filed within the statutorily specified time frame. Customer balances are generally considered delinquent if unpaid by the 30th day following the invoice date and credit privileges may be revoked if balances remain unpaid. Interest on delinquent accounts receivable is recognized in other income when chargeable and collectability is reasonably assured.

During certain of the periods presented, the Company provided infrastructure services in Puerto Rico under master services agreements entered into by Cobra Acquisitions LLC ("Cobra"), one of the Company's subsidiaries, with the Puerto Rico Electric Power Authority ("PREPA") to perform repairs to PREPA's electrical grid as a result of Hurricane Maria. During the three months ended March 31, 2020 and 2019, the Company charged interest on delinquent accounts receivable pursuant to the terms of its agreements with PREPA totaling \$7.7 million and \$25.7 million, respectively. These amounts are included in "other, net" on the unaudited condensed consolidated statement of comprehensive (loss) income. Included in "accounts receivable, net" on the unaudited condensed consolidated balance sheets as of March 31, 2020 and December 31, 2019 were interest charges of \$49.7 million and \$42.0 million, respectively.

The Company regularly reviews receivables and provides for expected losses through an allowance for doubtful accounts. In evaluating the level of established reserves, the Company makes judgments regarding its customers' ability to make required payments, economic events and other factors. As the financial condition of customers changes, circumstances develop, or additional information becomes available, adjustments to the allowance for doubtful accounts may be required. In the event the Company expects that a customer may not be able to make required payments, the Company would increase the allowance through a charge to income in the period in which that determination is made. If it is determined that previously reserved amounts are collectible, the Company would decrease the allowance through a credit to income in the period in which that determination is made. Uncollectible accounts receivable are periodically charged against the allowance for doubtful accounts once a final determination is made regarding their uncollectability.

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Following is a roll forward of the allowance for doubtful accounts for the year ended December 31, 2019 and the three months ended March 31, 2020 (in thousands):

Balance, January 1, 2019	\$	5,198
Additions charged to bad debt expense		1,771
Recoveries of receivables previously charged to bad debt expense		(337)
Deductions for uncollectible receivables written off		(1,478)
Balance, December 31, 2019		5,154
Additions charged to bad debt expense		525
Recoveries of receivables previously charged to bad debt expense		(470)
Deductions for uncollectible receivables written off		(220)
Balance, March 31, 2020	\$	4,989

The Company recorded additions to allowance for doubtful accounts totaling \$0.5 million and \$1.8 million, respectively, for the three months ended March 31, 2020 and year ended December 31, 2019 based on the factors described above. The Company will continue to pursue collection until such time as final determination is made consistent with Company policy.

As of March 31, 2020, PREPA owed Cobra approximately \$27.0 million for services performed, excluding \$49.7 million of interest charged on these delinquent balances as of March 31, 2020. The Company believes these receivables are collectible. PREPA, however, is currently subject to bankruptcy proceedings, which were filed in July 2017 and are currently pending in the U.S. District Court for the District of Puerto Rico. As a result, PREPA's ability to meet its payment obligations is largely dependent upon funding from the Federal Emergency Management Agency or other sources. On September 30, 2019, Cobra filed a motion with the U.S. District Court for the District of Puerto Rico seeking recovery of the amounts owed to Cobra by PREPA. PREPA filed a motion to stay Cobra's motion on the ground that the ongoing criminal proceedings described in Note 18 below against the former president of Cobra and two other individuals may affect the recovery of those amounts. On October 17, 2019, the court granted PREPA's request to stay Cobra's motion and, on February 3, 2020, extended the stay until an omnibus hearing to be held in June 2020. On March 25, 2020, Cobra filed an urgent motion to modify the stay order and allow the undisputed tax claims. Pursuant to its urgent motion, Cobra seeks to recover approximately \$61.7 million in undisputed claims related to a tax gross-up provision contained in the emergency master service agreement, as amended, that was entered into with PREPA on October 19, 2017. On April 7, 2020, PREPA filed a response brief to Cobra's urgent motion, and Cobra filed its reply brief on April 14, 2020. A ruling on Cobra's urgent motion is pending. In the event PREPA (i) does not have or does not obtain the funds necessary to satisfy its obligations to Cobra under the contracts, (ii) obtains the necessary funds but refuses to pay the amounts owed to the Company or (iii) otherwise does not pay amounts owed to the Company for services performed, the receivable may not be collectible.

**Concentrations of Credit Risk and Significant Customers**

Financial instruments that potentially subject the Company to concentrations of credit risk consist of cash and cash equivalents in excess of federally insured limits and trade receivables. Following is a summary of our significant customers based on percentages of total accounts receivable balances at March 31, 2020 and December 31, 2019 and percentages of total revenues derived for the three months ended March 31, 2020 and 2019:

	REVENUES		ACCOUNTS RECEIVABLE	
	Three Months Ended March 31,		At March 31,	At December 31,
	2020	2019	2020	2019
Customer A <sup>(a)</sup>	— %	33 %	71 %	73 %
Customer B <sup>(b)</sup>	20 %	21 %	5 %	2 %
Customer C <sup>(c)</sup>	14 %	1 %	2 %	2 %
Customer D <sup>(d)</sup>	10 %	3 %	3 %	3 %
Customer E <sup>(e)</sup>	— %	14 %	— %	— %

- a. Customer A is a third-party customer. Revenues and the related accounts receivable balances earned from Customer A were derived from the Company's infrastructure services segment. Accounts receivable for Customer A also includes receivables due for interest charged on delinquent accounts receivable.

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### NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

- b. Customer B is a related party customer. Revenues and the related accounts receivable balances earned from Customer B were derived from the Company's pressure pumping services segment, natural sand proppant services segment and other businesses.
- c. Customer C is a third-party customer. Revenues and the related accounts receivable balances earned from Customer C were derived from the Company's pressure pumping services segment and equipment rental business.
- d. Customer D is a third-party customer. Revenues and the related accounts receivable balances earned from Customer D were derived from the Company's infrastructure services segment.
- e. Customer E is a related party customer. Revenues and the related accounts receivable balances earned from Customer E were derived from the Company's pressure pumping segment and equipment rental business.

#### ***Fair Value of Financial Instruments***

The Company's financial instruments consist of cash and cash equivalents, trade receivables, trade payables, amounts receivable or payable to related parties and long-term debt. The carrying amount of cash and cash equivalents, trade receivables, receivables from related parties and trade payables approximates fair value because of the short-term nature of the instruments. The fair value of long-term debt approximates its carrying value because the cost of borrowing fluctuates based upon market conditions.

#### ***New Accounting Pronouncements***

In June 2016, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2016-13, "Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments," which amends current guidance on reporting credit losses on financial instruments. This ASU requires entities to reflect its current estimate of all expected credit losses. The guidance affects most financial assets, including trade accounts receivable. This ASU is effective for fiscal years beginning after December 31, 2019, with early adoption permitted. The Company adopted this standard effective January 1, 2020. It did not have a material impact on the Company's condensed consolidated financial statements.

### **3. Revenue**

The Company's primary revenue streams include infrastructure services, pressure pumping services, natural sand proppant services, drilling services and other services, which includes coil tubing, pressure control, flowback, cementing, acidizing, equipment rentals, full service transportation, crude oil hauling, remote accommodations, oilfield equipment manufacturing and infrastructure engineering and design services. See Note 19 for the Company's revenue disaggregated by type.

#### ***Infrastructure Services***

Infrastructure services are typically provided pursuant to master service agreements, repair and maintenance contracts or fixed price and non-fixed price installation contracts. Pricing under these contracts may be unit priced, cost-plus/hourly (or time and materials basis) or fixed price (or lump sum basis). Generally, the Company accounts for infrastructure services as a single performance obligation satisfied over time. In certain circumstances, the Company supplies materials that are utilized during the jobs as part of the agreement with the customer. The Company accounts for these infrastructure agreements as multiple performance obligations satisfied over time. Revenue is recognized over time as work progresses based on the days completed or as the contract is completed. Under certain customer contracts in our infrastructure services segment, the Company warrants equipment and labor performed for a specified period following substantial completion of the work.

#### ***Pressure Pumping Services***

Pressure pumping services are typically provided based upon a purchase order, contract or on a spot market basis. Services are provided on a day rate, contracted or hourly basis. Generally, the Company accounts for pressure pumping services as a single performance obligation satisfied over time. In certain circumstances, the Company supplies proppant that is utilized for pressure pumping as part of the agreement with the customer. The Company accounts for these pressure pumping agreements as multiple performance obligations satisfied over time. Jobs for these services are typically short-term in nature and range from a few hours to multiple days. Generally, revenue is recognized over time upon the completion of each segment of work based upon a completed field ticket, which includes the charges for the services performed, mobilization of the equipment to the location, consumable supplies and personnel.

Pursuant to a contract with one of its customers, the Company has agreed to provide that customer with use of up to two pressure pumping fleets for the period covered by the contract. Under this agreement, performance obligations are satisfied as services are rendered based on the passage of time rather than the completion of each segment of work. The Company has the right to receive consideration from this customer even if circumstances prevent us from performing work. All consideration owed to the Company for services performed during the contractual period is fixed and the right

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to receive it is unconditional. This customer has filed a legal action in Delaware state court seeking the termination of this contract and monetary damages. During the three months ended March 31, 2020, the Company generated \$17.8 million in revenues under the contract from this customer. This customer made payments of \$6.8 million to the Company during the three months ended March 31, 2020 related to revenue recognized for services in 2019 prior to the alleged termination date, and owed the Company \$17.0 million as of March 31, 2020 under the contract. The revenue recognized and related accounts receivable balance owed to the Company are reflected in “services revenue—related parties” and “accounts receivable—related parties” on the accompanying unaudited condensed consolidated statement of comprehensive (loss) income and unaudited condensed consolidated balance sheets. See Note 18 below.

Additional revenue is generated through labor charges and the sale of consumable supplies that are incidental to the service being performed. Such amounts are recognized ratably over the period during which the corresponding goods and services are consumed.

***Natural Sand Proppant Services***

The Company sells natural sand proppant through sand supply agreements with its customers. Under these agreements, sand is typically sold at a flat rate per ton or a flat rate per ton with an index-based adjustment. The Company recognizes revenue at the point in time when the customer obtains legal title to the product, which may occur at the production facility, rail origin or at the destination terminal.

Certain of the Company's sand supply agreements contain a minimum volume commitment related to sand purchases whereby the Company charges a shortfall payment if the customer fails to meet the required minimum volume commitment. These agreements may also contain make-up provisions whereby shortfall payments can be applied in future periods against purchased volumes exceeding the minimum volume commitment. If a make-up right exists, the Company has future performance obligations to deliver excess volumes of product in subsequent months. In accordance with ASC 606, if the customer fails to meet the minimum volume commitment, the Company will assess whether it expects the customer to fulfill its unmet commitment during the contractually specified make-up period based on discussions with the customer and management's knowledge of the business. If the Company expects the customer will make-up deficient volumes in future periods, revenue related to shortfall payments will be deferred and recognized on the earlier of the date on which the customer utilizes make-up volumes or the likelihood that the customer will exercise its right to make-up deficient volumes becomes remote. As of March 31, 2020, the Company had deferred revenue totaling \$8.3 million related to shortfall payments. This amount is included in “accrued expenses and other current liabilities” on the unaudited condensed consolidated balance sheet. If the Company does not expect the customer will make-up deficient volumes in future periods, the breakage model will be applied and revenue related to shortfall payments will be recognized when the model indicates the customer's inability to take delivery of excess volumes. During the three months ended March 31, 2020 and 2019, the Company recognized revenue totaling \$4.9 million and \$1.0 million, respectively, related to shortfall payments.

In certain of the Company's sand supply agreements, the customer obtains control of the product when it is loaded into rail cars and the customer reimburses the Company for all freight charges incurred. The Company has elected to account for shipping and handling as activities to fulfill the promise to transfer the sand. If revenue is recognized for the related product before the shipping and handling activities occur, the Company accrues the related costs of those shipping and handling activities.

***Drilling Services***

Contract drilling services were provided under daywork contracts. Directional drilling services, including motor rentals, are provided on a day rate or hourly basis, and revenue is recognized as work progresses. Performance obligations are satisfied over time as the work progresses based on the measure of output. Mobilization revenue and costs were recognized over the days of actual drilling. As a result of market conditions, the Company temporarily shut down its contract land drilling operations in December 2019.

***Other Services***

During the periods presented, the Company also provided coil tubing, pressure control, flowback, cementing, equipment rentals, full service transportation, crude oil hauling, remote accommodations, oilfield equipment manufacturing and infrastructure engineering and design services, which are reported under other services. As a result of market conditions, the Company temporarily shut down its cementing and acidizing operations as well as its flowback operations during the third quarter of 2019. The Company's other services are typically provided based upon a purchase order, contract or on a spot market basis. Services are provided on a day rate, contracted or hourly basis. Performance obligations for these

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services are satisfied over time and revenue is recognized as the work progresses based on the measure of output. Jobs for these services are typically short-term in nature and range from a few hours to multiple days.

**Practical Expedients**

The Company does not disclose the value of unsatisfied performance obligations for (i) contracts with an original expected length of one year or less and (ii) contracts in which variable consideration is allocated entirely to a wholly unsatisfied performance obligation or to a wholly unsatisfied distinct good or service that forms part of a single performance obligation.

**Contract Balances**

Following is a rollforward of the Company's contract liabilities (in thousands):

Balance, December 31, 2018	\$	4,304
Deduction for recognition of revenue		(4,827)
Increase for deferral of shortfall payments		8,442
Increase for deferral of customer prepayments		675
Deduction of shortfall payments due to contract renegotiations		(1,350)
Balance, December 31, 2019		7,244
Deduction for recognition of revenue		(4,915)
Increase for deferral of shortfall payments		5,873
Increase for deferral of customer prepayments		85
Balance, March 31, 2020	\$	8,287

The Company did not have any contract assets as of March 31, 2020, December 31, 2019 or December 31, 2018.

**Performance Obligations**

Revenue recognized in the current period from performance obligations satisfied in previous periods was a nominal amount for the three months ended March 31, 2020 and 2019. As of March 31, 2020, the Company had unsatisfied performance obligations totaling \$78.8 million, which will be recognized over the next 1.6 years.

**4. Inventories**

Inventories consist of raw sand and processed sand available for sale, chemicals and other products sold as a bi-product of completion and production operations and supplies used in performing services. Inventory is stated at the lower of cost or market (net realizable value) on an average cost basis. The Company assesses the valuation of its inventories based upon specific usage, future utility, obsolescence and other factors. A summary of the Company's inventories is shown below (in thousands):

	March 31, 2020	December 31, 2019
Supplies	\$ 7,851	\$ 9,598
Raw materials	997	746
Work in process	3,221	4,608
Finished goods	1,124	2,531
Total inventories	\$ 13,193	\$ 17,483

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**5. Property, Plant and Equipment**

Property, plant and equipment include the following (in thousands):

	Useful Life	March 31, 2020	December 31, 2019
Pressure pumping equipment	3-5 years	\$ 216,813	\$ 216,627
Drilling rigs and related equipment	3-15 years	116,252	117,783
Machinery and equipment	7-20 years	184,893	190,221
Buildings <sup>(a)</sup>	15-39 years	45,352	47,859
Vehicles, trucks and trailers	5-10 years	129,700	135,724
Coil tubing equipment	4-10 years	27,462	29,438
Land	N/A	13,687	13,687
Land improvements	15 years or life of lease	10,135	10,135
Rail improvements	10-20 years	13,802	13,802
Other property and equipment <sup>(b)</sup>	3-12 years	19,054	18,880
		777,150	794,156
Deposits on equipment and equipment in process of assembly <sup>(c)</sup>		4,964	6,627
		782,114	800,783
Less: accumulated depreciation <sup>(d)</sup>		466,046	448,011
<b>Total property, plant and equipment, net</b>		<b>\$ 316,068</b>	<b>\$ 352,772</b>

a. Included in Buildings at March 31, 2020 and December 31, 2019 are costs of \$ 7.6 million and \$ 6.7 million, respectively, related to assets under operating leases.

b. Included in Other property and equipment at each of March 31, 2020 and December 31, 2019 are costs of \$ 6.5 million related to assets under operating leases.

c. Deposits on equipment and equipment in process of assembly represents deposits placed with vendors for equipment that is in the process of assembly and purchased equipment that is being outfitted for its intended use. The equipment is not yet placed in service.

d. Includes accumulated depreciation of \$ 4.2 million and \$ 3.5 million, respectively, at March 31, 2020 and December 31, 2019 related to assets under operating leases.

**Impairment**

Oil prices declined significantly in March 2020 as a result of geopolitical events that increased the supply of oil in the market as well as effects of the COVID-19 pandemic. As a result, the Company determined that it was more likely than not that the fair value of certain of its oilfield services assets were less than their carrying value. Therefore, the Company performed an interim impairment test. As a result of the test, the Company recorded the following impairments to its fixed assets during the three months ended March 31, 2020 (in thousands):

Water transfer equipment	\$ 4,203
Crude oil hauling equipment	3,275
Coil tubing equipment	2,160
Flowback equipment	1,514
Rental equipment	1,308
Other equipment	437
<b>Total impairment of other long-lived assets</b>	<b>\$ 12,897</b>

The Company measured the fair values of these assets using significant unobservable inputs (Level 3) based on an income approach. The Company did not record any impairment of other long-lived assets during the three months ended March 31, 2019.

**Disposals**

Proceeds from customers for horizontal and directional drilling services equipment damaged or lost down-hole are reflected in revenue with the carrying value of the related equipment charged to cost of service revenues and are reported as cash inflows from investing activities in the statement of cash flows. For the three months ended March 31, 2020 and

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2019, proceeds from the sale of equipment damaged or lost down-hole were \$0.4 million and a nominal amount, respectively, and gains on sales of equipment damaged or lost down-hole were \$0.4 million and a nominal amount, respectively.

Proceeds from assets sold or disposed of as well as the carrying value of the related equipment are reflected in “other, net” on the unaudited condensed consolidated statement of comprehensive (loss) income. For the three months ended March 31, 2020 and 2019, proceeds from the sale of equipment were \$0.6 million and \$1.4 million, respectively, and gains (losses) from the sale or disposal of equipment were \$0.3 million and (\$0.1) million, respectively.

***Depreciation, depletion, amortization and accretion***

A summary of depreciation, depletion, amortization and accretion expense is below (in thousands):

	<b>Three Months Ended March 31,</b>	
	<b>2020</b>	<b>2019</b>
Depreciation expense	\$ 25,600	\$ 28,066
Depletion expense	—	212
Amortization expense	253	284
Accretion expense	29	14
Depreciation, depletion, amortization and accretion	<u>\$ 25,882</u>	<u>\$ 28,576</u>

**6. Goodwill and Intangible Assets**

***Goodwill***

Changes in the net carrying amount of goodwill by reporting segment (see Note 19) for the three months ended March 31, 2020 and year ended December 31, 2019 are presented below (in thousands):

	<u>Infrastructure</u>	<u>Pressure Pumping</u>	<u>Sand</u>	<u>Other</u>	<u>Total</u>
Balance as of January 1, 2019					
Goodwill	\$ 3,828	\$ 86,043	\$ 2,684	\$ 11,893	\$ 104,448
Accumulated impairment losses	—	—	—	(3,203)	(3,203)
	<u>3,828</u>	<u>86,043</u>	<u>2,684</u>	<u>8,690</u>	<u>101,245</u>
Acquisitions	—	—	—	—	—
Impairment losses	(434)	(23,423)	(2,684)	(7,123)	(33,664)
Balance as of December 31, 2019					
Goodwill	3,828	86,043	2,684	11,893	104,448
Accumulated impairment losses	(434)	(23,423)	(2,684)	(10,326)	(36,867)
	<u>3,394</u>	<u>62,620</u>	<u>—</u>	<u>1,567</u>	<u>67,581</u>
Acquisitions	—	—	—	—	—
Impairment losses	—	(53,406)	—	(1,567)	(54,973)
Balance as of March 31, 2020					
Goodwill	3,828	86,043	2,684	11,893	104,448
Accumulated impairment losses	(434)	(76,829)	(2,684)	(11,893)	(91,840)
	<u>\$ 3,394</u>	<u>\$ 9,214</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 12,608</u>

Oil prices declined significantly in March 2020 as a result of geopolitical events that increased the supply of oil in the market as well as effects of the COVID-19 pandemic. As a result, the Company determined that it was more likely than not that the fair value of certain of its reporting units were less than their carrying value. Therefore, the Company performed an interim goodwill impairment test. The Company impaired goodwill associated with Stingray Pressure Pumping LLC (“Stingray Pressure Pumping”), Silverback Energy and WTL Oil LLC, resulting in a \$55.0 million

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impairment charge during the three months ended March 31, 2020. To determine fair value at March 31, 2020, the Company used a combination of the income and market approaches. The income approach estimates the fair value based on anticipated cash flows that are discounted using a weighted average cost of capital. The market approach estimates the fair value using comparative multiples, which involves significant judgment in the selection of the appropriate peer group companies and valuation multiples. The Company did not record any goodwill impairment charges during the three months ended March 31, 2019.

**Intangible Assets**

The Company had the following definite lived intangible assets recorded (in thousands):

	<b>March 31, 2020</b>	<b>December 31, 2019</b>
Customer relationships	\$ 1,050	\$ 1,050
Trade names	9,063	9,063
Less: accumulated amortization - customer relationships	(510)	(467)
Less: accumulated amortization - trade names	(4,067)	(3,858)
<b>Intangible assets, net</b>	<b>\$ 5,536</b>	<b>\$ 5,788</b>

Amortization expense for intangible assets was \$0.3 million for each of the three months ended March 31, 2020 and 2019. The original life of customer relationships ranges is 6 years as of March 31, 2020 with a remaining average useful life of 3.1 years. The original life of trade names ranges from 10 to 20 years as of March 31, 2020 with a remaining average useful life of 8.1 years.

Aggregated expected amortization expense for the future periods is expected to be as follows (in thousands):

Remainder of 2020	\$ 761
2021	1,015
2022	1,015
2023	898
2024	771
Thereafter	1,076
	<b>\$ 5,536</b>

**7. Equity Method Investment**

On December 21, 2018, Cobra Aviation Services LLC (“Cobra Aviation”) and Wexford Partners Investment Co. LLC (“Wexford Investment”), a related party, formed a joint venture under the name of Brim Acquisitions LLC (“Brim Acquisitions”) to acquire all outstanding equity interest in Brim Equipment Leasing, Inc. (“Brim Equipment”) for a total purchase price of approximately \$2.0 million. Cobra Aviation owns a 49% economic interest and Wexford Investment owns a 51% economic interest in Brim Acquisitions, and each member contributed its pro rata portion of Brim Acquisitions' initial capital of \$2.0 million. Brim Acquisitions, through Brim Equipment, owns one commercial helicopter and leases five commercial helicopters for operations, which it uses to provide a variety of services, including short haul, aerial ignition, hoist operations, aerial photography, fire suppression, construction services, animal/capture/survey, search and rescue, airborne law enforcement, power line construction, precision long line operations, pipeline construction and survey, mineral and seismic exploration, and aerial seeding and fertilization.

The Company uses the equity method of accounting to account for its investment in Brim Acquisitions, which had a carrying value of approximately \$2.2 million and \$2.6 million, respectively, at March 31, 2020 and December 31, 2019. The investment is included in “other non-current assets” on the unaudited condensed consolidated balance sheets. The Company recorded an equity method adjustment to its investment of \$0.4 million and a nominal amount for its share of Brim Acquisitions' income for the three months ended March 31, 2020 and 2019, which is included in “other, net” on the unaudited condensed consolidated statements of comprehensive (loss) income. The Company made additional

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investments totaling \$0.5 million during the three months ended March 31, 2019. The Company did not make any additional investments during the three months ended March 31, 2020.

**8. Accrued Expenses and Other Current Liabilities**

Accrued expense and other current liabilities included the following (in thousands):

	<b>March 31, 2020</b>	<b>December 31, 2019</b>
State and local taxes payable	\$ 14,921	\$ 15,288
Deferred revenue	8,287	7,244
Accrued compensation, benefits and related taxes	7,088	5,938
Financed insurance premiums	3,748	6,463
Insurance reserves	2,582	2,906
Other	3,101	2,915
<b>Total</b>	<b>\$ 39,727</b>	<b>\$ 40,754</b>

Financed insurance premiums are due in monthly installments, are unsecured and mature within the twelve month period following the close of the year. As of March 31, 2020 and December 31, 2019, the applicable interest rate associated with financed insurance premiums ranged from 3.45% to 3.75%.

**9. Debt**

On October 19, 2018, Mammoth Inc. and certain of its direct and indirect subsidiaries, as borrowers, entered into an amended and restated revolving credit and security agreement with the lenders party thereto and PNC Bank, National Association, as a lender and as administrative agent for the lenders, as amended and restated (the "revolving credit facility"). The revolving credit facility matures on October 19, 2023. Borrowings under the revolving credit facility are secured by the assets of Mammoth Inc., inclusive of the subsidiary companies, and are subject to a borrowing base calculation prepared monthly. On November 5, 2019, the Company entered into a first amendment to the revolving credit facility to amend the interest coverage ratio definition to give accrual treatment to certain cash taxes included in the ratio calculation. As a result, certain cash tax payments that were made in 2019 were now treated as if they were made in 2018, the year in which the income related to such tax payments was actually received.

As of December 31, 2019, the revolving credit facility contained various customary affirmative and restrictive covenants. Among the covenants are two financial covenants, including a minimum interest coverage ratio (3.0 to 1.0), and a maximum leverage ratio (4.0 to 1.0). On February 26, 2020, the Company entered into a second amendment to the revolving credit facility to, among other things, (i) amend its financial covenants, as outlined below, (ii) decrease the maximum revolving advance amount from \$185 million to \$130 million, (iii) decrease the amount that the maximum revolving advance can be increased to (the accordion) from \$50 million to \$180 million, (iv) increase the applicable margin ranges from 2.00% to 2.50% per annum in the case of the alternate base rate and from 3.00% to 3.50% per annum in the case of LIBOR, (v) increase the aggregate amount of permitted asset dispositions, and (vi) permit certain sale-leaseback transactions.

The financial covenants under the revolving credit facility were amended as follows:

- the minimum interest coverage ratio of 3.0 to 1.0 was eliminated;
- the maximum leverage coverage ratio of 4.0 to 1.0 was eliminated for the first two fiscal quarters of 2020 and, beginning with the fiscal quarter ended September 30, 2020, changed to 2.5 to 1.0;
- beginning with the fiscal quarter ended September 30, 2020, a minimum fixed charge coverage ratio of at least 1.1 to 1.0 was added; and
- from the effective date of February 26, 2020 through September 30, 2020, a minimum excess availability covenant of 10% of the maximum revolving advance amount was added.

As of March 31, 2020 and December 31, 2019, the Company was in compliance with its covenants under the revolving credit facility.

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At March 31, 2020, there were outstanding borrowings under the revolving credit facility of \$88.4 million and \$19.4 million of available borrowing capacity. This available borrowing capacity reflects (i) a minimum excess availability covenant of 10% of the maximum revolving advance amount and (ii) \$9.0 million of outstanding letters of credit. At December 31, 2019, there were outstanding borrowings under the revolving credit facility of \$80.0 million and \$96.1 million of borrowing capacity under the facility, after giving effect to \$8.7 million of outstanding letters of credit.

As of May 6, 2020, the Company had \$94.0 million in borrowings outstanding under its revolving credit facility, leaving an aggregate of \$13.8 million of available borrowing capacity under this facility. This available borrowing capacity reflects (i) a minimum excess availability covenant of 10% of the maximum revolving advance amount and (ii) \$9.0 million of outstanding letters of credit. If an event of default occurs under the revolving credit facility and remains uncured, it could have a material adverse effect on the Company's business, financial condition, results of operations and cash flows. The lenders (i) would not be required to lend any additional amounts to the Company, (ii) could elect to increase the interest rate by 200 basis points, (iii) could elect to declare all outstanding borrowings, together with accrued and unpaid interest and fees, to be due and payable, (iv) may have the ability to require the Company to apply all of its available cash to repay outstanding borrowings, and (v) may foreclose on substantially all of the Company's assets.

**10. Variable Interest Entities**

Dire Wolf Energy Services LLC ("Dire Wolf") and Predator Aviation LLC ("Predator Aviation"), wholly owned subsidiaries of the Company, are party to Voting Trust Agreements with TVPX Aircraft Solutions Inc. (the "Voting Trustee"). Under the Voting Trust Agreements, Dire Wolf transferred 100% of its membership interest in Cobra Aviation and Predator Aviation transferred 100% of its membership interest in Leopard Aviation LLC ("Leopard") to the respective Voting Trustees in exchange for Voting Trust Certificates. Dire Wolf and Predator Aviation retained the obligation to absorb all expected returns or losses of Cobra Aviation and Leopard. Prior to the transfer of the membership interest to the Voting Trustee, Cobra Aviation was a wholly owned subsidiary of Dire Wolf and Leopard was a wholly owned subsidiary of Predator Aviation. Cobra Aviation owns three helicopters and support equipment, 100% of the equity interest in Air Rescue Systems Corporation ("ARS") and 49% of the equity interest in Brim Acquisitions. Leopard owns one helicopter. Dire Wolf and Predator Aviation entered into the Voting Trust Agreements in order to meet certain registration requirements.

Dire Wolf's and Predator Aviation's voting rights are not proportional to their respective obligations to absorb expected returns or losses of Cobra Aviation and Leopard, respectively, and all of Cobra Aviation's and Leopard's activities are conducted on behalf of Dire Wolf and Predator Aviation, which have disproportionately fewer voting rights; therefore, Cobra Aviation and Leopard meet the criteria of a VIE. Cobra Aviation and Leopard's operational activities are directed by Dire Wolf's and Predator Aviation's officers and Dire Wolf and Predator Aviation have the option to terminate the Voting Trust Agreements at any time. Therefore, the Company, through Dire Wolf and Predator Aviation, is considered the primary beneficiary of the VIEs and consolidates Cobra Aviation and Leopard at March 31, 2020.

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**11. Selling, General and Administrative Expense**

Selling, general and administrative ("SG&A") expense includes of the following (in thousands):

	<b>Three Months Ended March 31,</b>	
	<b>2020</b>	<b>2019</b>
Cash expenses:		
Compensation and benefits	\$ 3,969	\$ 9,230
Professional services	3,538	3,789
Other <sup>(a)</sup>	2,309	3,244
Total cash SG&A expense	9,816	16,263
Non-cash expenses:		
Bad debt provision	55	4
Stock based compensation	900	1,069
Total non-cash SG&A expense	955	1,073
Total SG&A expense	\$ 10,771	\$ 17,336

a. Includes travel-related costs, information technology expenses, rent, utilities and other general and administrative-related costs.

**12. Income Taxes**

The Company recorded income tax expense of \$0.7 million and \$22.9 million for the three months ended March 31, 2020 and 2019, respectively. The Company's effective tax rate was (1%) and 45% for the three months ended March 31, 2020 and 2019, respectively.

On March 27, 2020, the Coronavirus Aid, Relief, and Economic Security (CARES) Act was enacted and signed into U.S. law in response to the COVID-19 pandemic, and among other things, permits the carryback of certain net operating losses. As a result of the enacted legislation, the Company recognized a \$5.2 million net tax expense during the three months ended March 31, 2020, which consists of a \$12.3 million deferred tax expense and a \$7.2 million current tax benefit. This impact, along with the rate impact from non-deductible goodwill impairment, was the primary driver for the difference between the statutory rate of 21% and the effective tax rate for the three months ended March 31, 2020.

The effective tax rate for the three months ended March 31, 2019 differed from the statutory rate of 21% primarily due to the mix of earnings between the United States and Puerto Rico.

**13. Leases**

***Lessee Accounting***

The Company recognized a lease liability equal to the present value of the lease payments and a right-of-use asset representing its right to use the underlying asset for the lease term for all leases with a term in excess of 12 months. For operating leases, lease expense for lease payments is recognized on a straight-line basis over the lease term, while finance leases include both an operating expense and an interest expense component. For all leases with a term of 12 months or less, the Company has elected the practical expedient to not recognize lease assets and liabilities and recognizes lease expense for these short-term leases on a straight-line basis over the lease term.

The Company's operating leases are primarily for rail cars, real estate, equipment and vehicles and its finance leases are primarily for machinery and equipment. Generally, the Company does not include renewal or termination options in its assessment of the leases unless extension or termination for certain assets is deemed to be reasonably certain. The accounting for some of the Company's leases may require significant judgment, which includes determining whether a contract contains a lease, determining the incremental borrowing rates to utilize in the net present value calculation of lease payments for lease agreements which do not provide an implicit rate and assessing the likelihood of renewal or termination options. Lease agreements that contain a lease and non-lease component are generally accounted for as a single lease component.

The rate implicit in the Company's leases is not readily determinable. Therefore, the Company uses its incremental borrowing rate based on information available at the commencement date of its leases in determining the present value of

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lease payments. The Company's incremental borrowing rate reflects the estimated rate of interest that it would pay to borrow on a collateralized basis over a similar term an amount equal to the lease payments in a similar economic environment.

Lease expense consisted of the following for the three months ended March 31, 2020 and 2019 (in thousands):

	<b>Three Months Ended March 31,</b>	
	<b>2020</b>	<b>2019</b>
Operating lease expense	\$ 4,802	\$ 6,015
Short-term lease expense	169	214
Finance lease expense:		
Amortization of right-of-use assets	317	197
Interest on lease liabilities	54	38
Total lease expense	<u>\$ 5,342</u>	<u>\$ 6,464</u>

Supplemental balance sheet information related to leases as of March 31, 2020 and December 31, 2019 is as follows (in thousands):

	<b>March 31,</b>	<b>December 31,</b>
	<b>2020</b>	<b>2019</b>
Operating leases:		
Operating lease right-of-use assets	\$ 38,838	\$ 43,446
Current operating lease liability	15,484	16,432
Long-term operating lease liability	23,236	27,102
Finance leases:		
Property, plant and equipment, net	\$ 4,794	\$ 5,111
Accrued expenses and other current liabilities	1,360	1,365
Other liabilities	3,565	3,856

Other supplemental information related to leases for the three months ended March 31, 2020 and 2019 and as of March 31, 2020 and December 31, 2019 is as follows (in thousands):

	<b>Three Months Ended March 31,</b>	
	<b>2020</b>	<b>2019</b>
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows from operating leases	\$ 4,737	\$ 5,961
Operating cash flows from finance leases	54	34
Financing cash flows from finance leases	296	329
Right-of-use assets obtained in exchange for lease obligations:		
Operating leases	\$ (309)	\$ 955
Finance leases	—	—
	<b>March 31,</b>	<b>December 31,</b>
	<b>2020</b>	<b>2019</b>
Weighted-average remaining lease term:		
Operating leases	3.2 years	3.4 years
Finance leases	3.9 years	4.1 years
Weighted-average discount rate:		
Operating leases	4.4 %	4.4 %
Finance leases	4.3 %	4.3 %

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Maturities of lease liabilities as of March 31, 2020 are as follows (in thousands):

	<u>Operating Leases</u>	<u>Finance Leases</u>
Remainder of 2020	\$ 12,825	\$ 1,213
2021	13,136	1,254
2022	8,694	1,220
2023	4,284	1,214
2024	1,727	441
Thereafter	881	—
Total lease payments	<u>41,547</u>	<u>5,342</u>
Less: Present value discount	2,827	417
Present value of lease payments	<u>\$ 38,720</u>	<u>\$ 4,925</u>

***Lessor Accounting***

Certain of the Company's agreements with its customers for contract land drilling services, aviation services and remote accommodation services contain an operating lease component under ASC 842 because (i) there are identified assets, (ii) the customer obtains substantially all of the economic benefits of the identified assets throughout the period of use and (iii) the customer directs the use of the identified assets throughout the period of use. The Company has elected to apply the practical expedient provided to lessors to combine the lease and non-lease components of a contract where the revenue recognition pattern is the same and where the lease component, when accounted for separately, would be considered an operating lease. The practical expedient also allows a lessor to account for the combined lease and non-lease components under ASC 606, Revenue from Contracts with Customers, when the non-lease component is the predominant element of the combined component. The Company's agreements for its contract land drilling services contain a service component in addition to a lease component. The Company has determined the service component is greater than the lease component and, therefore, reports revenue for its contract land drilling services under ASC 606.

The Company's lease agreements are generally short-term in nature and lease revenue is recognized over time based on a monthly, daily or hourly rate basis. The Company does not provide an option for the lessee to purchase the rented assets at the end of the lease and the lessees do not provide residual value guarantees on the rented assets. The Company recognized lease revenue of \$0.3 million and \$0.6 million, respectively, during the three months ended March 31, 2020 and 2019, which is included in "services revenue" and "services revenue - related parties" on the unaudited condensed consolidated statement of comprehensive (loss) income.

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**14. (Loss) Earnings Per Share**

Reconciliations of the components of basic and diluted net (loss) income per common share are presented in the table below (in thousands, except per share data):

	<b>Three Months Ended March 31,</b>	
	<b>2020</b>	<b>2019</b>
<b>Basic (loss) earnings per share:</b>		
Allocation of (loss) earnings:		
Net (loss) income	\$ (83,971)	\$ 28,333
Weighted average common shares outstanding	45,314	44,929
Basic (loss) earnings per share	\$ (1.85)	\$ 0.63
<b>Diluted (loss) earnings per share:</b>		
Allocation of (loss) earnings:		
Net (loss) income	\$ (83,971)	\$ 28,333
Weighted average common shares, including dilutive effect <sup>(a)</sup>	45,314	45,063
Diluted (loss) earnings per share	\$ (1.85)	\$ 0.63

a. No incremental shares of potentially dilutive restricted stock awards were included for the three months ended March 31, 2020 as their effect was antidilutive under the treasury stock method.

**15. Equity Based Compensation**

Upon formation of certain operating entities by Wexford, Gulfport and Rhino, specified members of management (the "Specified Members") and certain non-employee members (the "Non-Employee Members") were granted the right to receive distributions from the operating entities after the contribution member's unreturned capital balance was recovered (referred to as "Payout" provision).

On November 24, 2014, the awards were modified in conjunction with the contribution of the operating entities to Mammoth. These awards were not granted in limited or general partner units. The awards are for interests in the distributable earnings of the members of MEH Sub, Mammoth's majority equity holder.

On the IPO closing date, the unreturned capital balance of Mammoth's majority equity holder was not fully recovered from its sale of common stock in the IPO. As a result, Payout did not occur and no compensation cost was recorded.

Payout for the remaining awards is expected to occur as the contribution member's unreturned capital balance is recovered from additional sales by MEH Sub of its shares of the Company's common stock or from dividend distributions, which is not considered probable until the event occurs. For the Specified Member awards, the unrecognized amount, which represents the fair value of the award as of the modification dates or grant date, was \$5.6 million.

The Company adopted ASU 2018-07 as of January 1, 2019. This ASU aligns the accounting for non-employee share-based compensation with the requirements for employee share-based compensation. The standard required non-employee awards to be measured at fair value as of the date of adoption. For the Company's Non-Employee Member awards, the unrecognized amount, which represents the fair value of the awards as of the date of adoption of ASU 2018-07 was \$18.9 million.

**16. Stock Based Compensation**

The 2016 Plan authorizes the Company's Board of Directors or the compensation committee of the Company's Board of Directors to grant restricted stock, restricted stock units, stock appreciation rights, stock options and performance awards. There are 4.5 million shares of common stock reserved for issuance under the 2016 Plan.

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*Restricted Stock Units*

The fair value of restricted stock unit awards was determined based on the fair market value of the Company's common stock on the date of the grant. This value is amortized over the vesting period.

A summary of the status and changes of the unvested shares of restricted stock under the 2016 Plan is presented below.

	Number of Unvested Restricted Shares	Weighted Average Grant- Date Fair Value
Unvested shares as of January 1, 2019	434,119	\$ 22.78
Granted	101,181	6.83
Vested	(231,896)	22.45
Forfeited	(82,163)	18.55
Unvested shares as of December 31, 2019	221,241	22.43
Granted	2,000,000	0.93
Vested	(605,017)	4.44
Forfeited	—	—
Unvested shares as of March 31, 2020	1,616,224	\$ 1.74

As of March 31, 2020, there was \$2.0 million of total unrecognized compensation cost related to the unvested restricted stock. The cost is expected to be recognized over a weighted average period of approximately 2.3 years.

Included in cost of revenue and selling, general and administrative expenses is stock based compensation expense of \$1.0 million and \$1.3 million, respectively, for the three months ended March 31, 2020 and 2019.

**17. Related Party Transactions**

Transactions between the subsidiaries of the Company, including Stingray Pressure Pumping, Muskie Proppant LLC (“Muskie”), Stingray Energy Services LLC (“SR Energy”), Aquahawk Energy LLC (“Aquahawk”), Panther Drilling Systems LLC (“Panther Drilling”), Anaconda Manufacturing LLC (“Anaconda”), Cobra Aviation, ARS and Leopard and the following companies are included in Related Party Transactions: Gulfport, Wexford, Grizzly Oil Sands ULC (“Grizzly”), El Toro Resources LLC (“El Toro”), Everest Operations Management LLC (“Everest”); Elk City Yard LLC (“Elk City Yard”), Double Barrel Downhole Technologies LLC (“DBDHT”), Caliber Investment Group LLC (“Caliber”), Predator Drilling LLC (“Predator”) and Brim Equipment.

Following is a summary of related party transactions (in thousands):

	REVENUES		ACCOUNTS RECEIVABLE	
	Three Months Ended March 31,		At March 31,	At December 31,
	2020	2019	2020	2019
Pressure Pumping and Gulfport (a) \$	17,823	\$ 37,410	\$ 17,021	\$ 5,950
Muskie and Gulfport (b)	1,875	12,655	516	1,141
SR Energy and Gulfport (c)	108	5,307	135	156
Aquahawk and Gulfport (d)	—	724	—	—
Panther Drilling and El Toro (e)	—	369	—	—
Cobra Aviation/ARS/Leopard and Brim Equipment (f)	82	263	89	235
Other Relationships	—	—	29	41
	\$ 19,888	\$ 56,728	\$ 17,790	\$ 7,523

- a. Pressure Pumping provides pressure pumping, stimulation and related completion services to Gulfport.
- b. Muskie has agreed to sell and deliver, and Gulfport has agreed to purchase, specified annual and monthly amounts of natural sand proppant, subject to certain exceptions specified in the agreement, and pay certain costs and expenses.
- c. SR Energy provides rental services to Gulfport.

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- d. Aquahawk provides water transfer services for Gulfport pursuant to a master service agreement.  
e. Panther provides directional drilling services for El Toro, an entity controlled by Wexford, pursuant to a master service agreement.  
f. Cobra Aviation, ARS and Leopard lease helicopters to Brim Equipment pursuant to aircraft lease and management agreements.

	Three Months Ended March 31,		At March 31,		At December 31,	
	2020	2019	2020	2019	2020	2019
	<b>COST OF REVENUE</b>		<b>ACCOUNTS PAYABLE</b>			
Cobra Aviation/ ARS/Leopard and Brim Equipment (a)	\$ 13	\$ 713	\$ 6	\$	433	—
Anaconda and Caliber (b)	62	—	—	—	—	—
Other	26	—	—	—	—	—
	<u>\$ 101</u>	<u>\$ 713</u>	<u>\$ 6</u>	<u>\$</u>	<u>433</u>	<u>—</u>
	<b>SELLING, GENERAL AND ADMINISTRATIVE COSTS</b>					
The Company and Wexford (c)	\$ —	\$ 236	\$ —	\$	1	—
The Company and Caliber (b)	192	130	62	—	7	—
Other	23	68	14	—	9	—
	<u>\$ 215</u>	<u>\$ 434</u>	<u>\$ 76</u>	<u>\$</u>	<u>17</u>	<u>—</u>
	<b>CAPITAL EXPENDITURES</b>					
Leopard and Brim Equipment (a)	\$ —	\$ —	\$ —	\$	76	—
	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$</u>	<u>76</u>	<u>—</u>
			<u>\$ 82</u>	<u>\$</u>	<u>526</u>	<u>—</u>

- a. Cobra Aviation, ARS and Leopard lease helicopters to Brim Equipment pursuant to aircraft lease and management agreements.  
b. Caliber leases office space to Mammoth.  
c. Wexford provides certain administrative and analytical services to the Company and, from time to time, the Company pays for goods and services on behalf of Wexford.

On December 21, 2018, Cobra Aviation acquired all outstanding equity interest in ARS and purchased two commercial helicopters, spare parts, support equipment and aircraft documents from Brim Equipment. Following these transactions, and also on December 21, 2018, Cobra Aviation formed a joint venture with Wexford Investments named Brim Acquisitions to acquire all outstanding equity interests in Brim Equipment. Cobra Aviation owns a 49% economic interest and Wexford Investment owns a 51% economic interest in Brim Acquisitions, and each member contributed its pro rata portion of Brim Acquisitions' initial capital of \$2.0 million. The Company made additional investments totaling \$0.5 million during the three months ended March 31, 2019. The Company did not make any additional investments during the three months ended March 31, 2020. Wexford Investments is an entity controlled by Wexford, which owns approximately 48% of the Company's outstanding common stock.

**18. Commitments and Contingencies**

***Minimum Purchase Commitments***

The Company has entered into agreements with suppliers that contain minimum purchase obligations. Failure to purchase the minimum amounts may require the Company to pay shortfall fees. However, the minimum quantities set forth in the agreements are not in excess of currently expected future requirements.

***Capital Spend Commitments***

The Company has entered into agreements with suppliers to purchase capital equipment.

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Aggregate future minimum payments under these obligations in effect at March 31, 2020 are as follows (in thousands):

<b>Year ended December 31:</b>	<b>Capital Spend Commitments</b>	<b>Minimum Purchase Commitments<sup>(a)</sup></b>
Remainder of 2020	\$ 3,766	\$ 15,834
2021	—	700
2022	—	129
2023	—	8
2024	—	—
Thereafter	—	—
	<u>\$ 3,766</u>	<u>\$ 16,671</u>

a. Included in these amounts are sand purchase commitments of \$ 13.8 million. Pricing for certain sand purchase agreements is variable and, therefore, the total sand purchase commitments could be as much as \$16.3 million.

**Letters of Credit**

The Company has various letters of credit that were issued under the Company's revolving credit agreement which is collateralized by substantially all of the assets of the Company. The letters of credit are categorized below (in thousands):

	<b>March 31, 2020</b>	<b>December 31, 2019</b>
Environmental remediation	\$ 4,477	\$ 4,182
Insurance programs	4,105	4,105
Rail car commitments	455	455
Total letters of credit	<u>\$ 9,037</u>	<u>\$ 8,742</u>

**Insurance**

The Company has insurance coverage for physical partial loss to its assets, employer's liability, automobile liability, commercial general liability, workers' compensation and insurance for other specific risks. The Company has also elected in some cases to accept a greater amount of risk through increased deductibles on certain insurance policies. As of March 31, 2020 and December 31, 2019, the workers' compensation and automobile liability policies require a deductible per occurrence of up to \$0.3 million and \$0.1 million, respectively. The Company establishes liabilities for the unpaid deductible portion of claims incurred based on estimates. As of March 31, 2020 and December 31, 2019, the workers' compensation and auto liability policies contained an aggregate stop loss of \$5.4 million. As of March 31, 2020 and December 31, 2019, accrued claims were \$2.6 million and \$2.9 million, respectively.

The Company also has insurance coverage for directors and officers liability. As of March 31, 2020 and December 31, 2019, the directors and officers liability policy had a deductible per occurrence of \$1.0 million and an aggregate deductible of \$10.0 million. As of March 31, 2020 and December 31, 2019, the Company did not have any accrued claims for directors and officers liability.

The Company also self-insures its employee health insurance. The Company has coverage on its self-insurance program in the form of a stop loss of \$0.2 million per participant and an aggregate stop-loss of \$5.8 million for the calendar year ending December 31, 2019. As of March 31, 2020 and December 31, 2019, accrued claims were \$2.7 million and \$3.0 million, respectively. These estimates may change in the near term as actual claims continue to develop.

**Warranty Guarantees**

Pursuant to certain customer contracts in our infrastructure services segment, the Company warrants equipment and labor performed under the contracts for a specified period following substantial completion of the work. Generally, the warranty is for one year or less. No liabilities were accrued as of March 31, 2020 and December 31, 2019 and no expense was recognized during the three months ended March 31, 2020 or 2019 related to warranty claims. However, if warranty claims occur, the Company could be required to repair or replace warranted items, which in most cases are covered by warranties extended from the manufacturer of the equipment. In the event the manufacturer of equipment failed to perform on a warranty obligation or denied a warranty claim made by the Company, the Company could be required to pay for the cost of the repair or replacement.

**Bonds**

In the ordinary course of business, the Company is required to provide bid bonds to certain customers in the infrastructure services segment as part of the bidding process. These bonds provide a guarantee to the customer that the Company, if awarded the project, will perform under the terms of the contract. Bid bonds are typically provided for a percentage of the total contract value. Additionally, the Company may be required to provide performance and payment bonds for contractual commitments related to projects in process. These bonds provide a guarantee to the customer that the Company will perform under the terms of a contract and that the Company will pay subcontractors and vendors. If the Company fails to perform under a contract or to pay subcontractors and vendors, the customer may demand that the surety make payments or provide services under the bond. The Company must reimburse the surety for expenses or outlays it incurs. As of March 31, 2020, outstanding bid bonds totaled \$0.2 million. The Company did not have any outstanding bid bonds as of December 31, 2019. As of March 31, 2020 and December 31, 2019, outstanding performance and payment bonds totaled \$32.1 million and \$40.4 million, respectively. The estimated cost to complete projects secured by the performance and payment bonds totaled \$5.1 million as of March 31, 2020.

**Litigation**

The Company is routinely involved in state and local tax audits. During 2015, the State of Ohio assessed taxes on the purchase of equipment the Company believes is exempt under state law. The Company appealed the assessment and a hearing was held in 2017. As a result of the hearing, the Company received a decision from the State of Ohio. The Company is appealing the decision and while it is not able to predict the outcome of the appeal, this matter is not expected to have a material adverse effect on the Company's financial position, results of operations or cash flows.

On June 19, 2018, Wendco of Puerto Rico Inc. filed a putative class action lawsuit in the Commonwealth of Puerto Rico styled Wendco of Puerto Rico Inc.; Multisystem Restaurant Inc.; Restaurant Operators Inc.; Apple Caribe, Inc.; on their own behalf and in representation of all businesses that conduct business in the Commonwealth of Puerto Rico vs. Mammoth Energy Services Inc.; Cobra Acquisitions, LLC; D. Grimm Puerto Rico, LLC, et al. The plaintiffs allege that the defendants caused power outages in Puerto Rico while performing restoration work on Puerto Rico's electrical network following Hurricanes Irma and Maria in 2017, thereby interrupting commercial activities and causing economic loss. The Company believes these claims are without merit and will vigorously defend the action. However, at this time, the Company is not able to predict the outcome of this lawsuit or whether it will have a material impact on the Company's business, financial condition, results of operations or cash flows.

Cobra has been served with ten lawsuits from municipalities in Puerto Rico alleging failure to pay construction excise and volume of business taxes. The Government of Puerto Rico's Central Recovery and Reconstruction Office ("COR3") has noted the unique nature of work executed by entities such as Cobra in Puerto Rico and that taxes, such as those in these matters, may be eligible for reimbursement by the government. Further, COR3 indicated that it is working to develop a solution that will result in payment of taxes owed to the municipalities without placing an undue burden on entities such as Cobra. The Company continues to work with COR3 to resolve these matters. However, at this time, the Company is not able to predict the outcome of these matters or whether they will have a material impact on the Company's business, financial condition, results of operations or cash flows.

On March 20, 2019, EJ LeJeune, a former employee of ESPADA Logistics and Security Group, LLC and ESPADA Caribbean LLC (together, "ESPADA") filed a putative collective and class action complaint in *LeJeune v. Mammoth Energy Services, Inc. d/b/a Cobra Energy & ESPADA Logistics and Security Group, LLC*, Case No. 5:19-cv-00286-JKP-ESC, in the U.S. District Court for the Western District of Texas. On August 5, 2019, the court granted the plaintiff's motion for leave to amend his complaint, dismissing Mammoth Energy Services, Inc. as a defendant, adding Cobra Acquisitions LLC ("Cobra") as a defendant, and adding ESPADA Caribbean LLC and two officers of ESPADA—James Jorrie and Jennifer Gay Jorrie—as defendants. The amended complaint alleges that the defendants jointly employed the plaintiff and all similarly situated workers and failed to pay them overtime as required by the Fair Labor Standards Act and Puerto Rico law. The complaint also alleges the following violations of Puerto Rico law: illegal deductions from workers' wages, failure to timely pay all wages owed, failure to pay a required severance when terminating workers without just cause, failure to pay for all hours worked, failure to provide required meal periods, and failure to pay a statutorily required bonus to eligible workers. Mr. LeJeune seeks to represent a class of workers allegedly employed by one or more defendants and paid a flat amount for each day worked regardless of how many hours were worked. The complaint seeks back wages, including overtime wages owed, liquidated damages equal to the overtime wages owed, attorneys' fees, costs, and pre- and post-judgment interest. Cobra denies that it employed Mr. LeJeune and the putative class members. The case is stayed until May 31, 2020 in order for the parties to mediate plaintiff's claims. At this time,

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the Company is not able to predict the outcome of this lawsuit or whether it will have a material impact on the Company's business, financial condition, results of operations or cash flows.

On April 16, 2019, Christopher Williams, a former employee of Higher Power Electrical, LLC, filed a putative class and collective action complaint in Christopher Williams, individually and on behalf of all others similarly situated v. Higher Power Electrical, LLC, Cobra Acquisitions LLC, and Cobra Energy LLC, Case No. 3:19-cv-01366-RAM, in the U.S. District Court for the District of Puerto Rico. On June 24, 2019, the complaint was amended to replace Mr. Williams with Matthew Zeisset as the named plaintiff. The plaintiff alleges that the Company failed to pay overtime wages to a class of workers in compliance with the Fair Labor Standards Act and Puerto Rico law. On August 21, 2019, upon request of the parties, the court stayed proceedings in the lawsuit pending completion of individual arbitration proceedings initiated by Mr. Zeisset and opt-in plaintiffs. The arbitrations remain pending. Other claimants have subsequently initiated additional individual arbitration proceedings asserting similar claims. All complainants and the respondents have paid the filing fees necessary to initiate the arbitrations. Arbitrators have not yet been assigned to these matters. At this time, the Company is not able to predict the outcomes of these proceedings or whether they will have a material impact on the Company's business, financial condition, results of operations or cash flows.

In June 2019 and August 2019, the Company was served with three class action lawsuits filed in the Western District of Oklahoma. On September 13, 2019, the court consolidated the three lawsuits under the case caption In re Mammoth Energy Services, Inc. Securities Litigation. On November 12, 2019, the plaintiffs filed their first amended complaint against Mammoth Energy Services, Inc., Arty Straehla, and Mark Layton. Pursuant to their first amended complaint, the plaintiffs brought a consolidated putative federal securities class action on behalf of all investors who purchased or otherwise acquired Mammoth Energy Services, Inc. common stock between October 19, 2017, and June 5, 2019, inclusive. On January 10, 2020, the defendants filed their motion to dismiss the first amended complaint. On March 9, 2020, the plaintiffs filed a second amended complaint for violation of federal securities laws which contains allegations substantially similar to those contained in the plaintiff's first amended complaint. On March 30, 2020, the defendants filed their motion to dismiss the second amended complaint. The Company believes the plaintiffs' claims are without merit and will vigorously defend the action. However, at this time, the Company is not able to predict the outcome of this lawsuit or whether it will have a material impact on the Company's business, financial condition, results of operations or cash flows.

In September 2019, four derivative lawsuits were filed, two in the Western District of Oklahoma and two in the District of Delaware, purportedly on behalf of the Company against its officers and directors. In October 2019, the plaintiffs in the two Oklahoma actions voluntarily dismissed their respective cases, with one plaintiff refile his action in the District of Delaware. On September 13, 2019, the Delaware court consolidated the three actions under the case caption In re Mammoth Energy Services, Inc. Consolidated Shareholder Litigation. On January 17, 2020, the plaintiffs filed their consolidated amended shareholder derivative complaint on behalf of Nominal Defendant, Mammoth Energy Services, Inc., and against Arty Straehla, Mark Layton, Arthur Amron, Paul V. Heerwagen IV, Marc McCarthy, Jim Palm, Matthew Ross, Arthur Smith, Gulfport Energy Corporation, and Wexford Capital LP. On February 18, 2020, the defendants filed a motion to stay this action. The Company believes the plaintiffs' claims are without merit and will vigorously defend the action. However, at this time, the Company is not able to predict the outcome of this lawsuit or whether it will have a material impact on the Company's business, financial condition, results of operations or cash flows.

On September 10, 2019, the U.S. District Court for the District of Puerto Rico unsealed an indictment that charged the former president of Cobra Acquisitions LLC with conspiracy, wire fraud, false statements and disaster fraud. Two other individuals were also charged in the indictment. The indictment is focused on the interactions between a former FEMA official and the former president of Cobra. Neither the Company nor any of its subsidiaries were charged in the indictment. The Company is continuing to cooperate with the related investigation. Given the uncertainty inherent in the criminal litigation, it is not possible at this time to determine the potential outcome or other potential impacts that the criminal litigation could have on the Company. PREPA has stated in court filings that it may contend the alleged criminal activity affects Cobra's entitlement to payment under its contracts with PREPA. Subsequent to the indictment, the Company received (i) a preservation request letter from the United States Securities and Exchange Commission ("SEC") related to documents relevant to an ongoing investigation it is conducting and (ii) a civil investigative demand ("CID") from the United States Department of Justice ("DOJ"), which requests certain documents and answers to specific interrogatories relevant to an ongoing investigation it is conducting. Both the SEC and DOJ investigations relate to the same subjects as those at issue in the criminal matter. The Company is cooperating with both the SEC and DOJ and is not able to predict the outcome of these investigations or if either will have a material impact on the Company's business, financial condition, results of operations or cash flows.

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On September 12, 2019, AL Global Services, LLC (“Alpha Lobo”) filed a second amended third-party petition against the Company in an action styled Jim Jorrie v. Craig Charles, Julian Calderas, Jr., and AL Global Services, LLC v. Jim Jorrie v. Cobra Acquisitions LLC v. ESPADA Logistics & Security Group, LLC, ESPADA Caribbean LLC, Arty Strachla, Ken Kinsey, Jennifer Jorrie, and Mammoth Energy Services, Inc., in the 57th Judicial District in Bexar County, Texas. The petition alleges that the Company should be held vicariously liable under alter ego, agency and respondeat superior theories for Alpha Lobo’s alleged claims against Cobra and Arty Strachla for aiding and abetting, knowing participation in and conspiracy to breach fiduciary duty in connection with Cobra’s execution of an agreement with ESPADA Caribbean, LLC for security services related to Cobra’s work in Puerto Rico. The case is currently subject to a statutory stay pending a ruling on the appeal of anti-SLAPP motions to dismiss filed by certain defendants. The Company believes these claims are without merit and will vigorously defend the action. However, at this time, the Company is not able to predict the outcome of this lawsuit or whether it will have a material impact on the Company’s business, financial condition, results of operations or cash flows. Additionally, there is a parallel arbitration proceeding that has been initiated in which certain Defendants are seeking a declaratory judgment regarding Cobra’s rights to terminate the Alpha Lobo contract and enter into a new contract with a third-party.

On September 16, 2019, Cobra filed a lawsuit against Robert Malcom (“Malcom”) and later added claims against BHI Energy I Power Services LLC (“BHI”) in a case styled Cobra Acquisitions v. Robert L. Malcom and BHI Energy I Power Services LLC in the 242nd Judicial District, District Court of Hale County, Texas. Cobra alleges Malcom breached his non-compete and non-solicit obligations contained in the purchase and sale agreement in which Cobra purchased Higher Power from Malcom. On September 16, 2019, the court entered a Temporary Restraining Order enjoining Malcom from competing against Higher Power or soliciting its customers and employees. Subsequently, on October 25, 2019, the court entered a Temporary Injunction enjoining Malcom from competing against Higher Power in three states or soliciting its customers and employees until the time of trial. Cobra is seeking to permanently enjoin Malcom from competing against Higher Power or soliciting its customers and employees, and further seeks damages it incurred as a result of Malcom’s breach of his non-compete agreement. Cobra’s claims against BHI, Malcom’s employer after he left Higher Power, are for tortious interference and misappropriation of trade secrets. On November 3, 2019, Malcom filed his original counter-petition and third-party petition against Cobra, Higher Power, Keith Ellison and Arty Strachla alleging claims for breach of contract, conversion, unjust enrichment, tortious interference, retaliation, violations of the federal Racketeer Influenced and Corrupt Organizations Act, and conspiracy. Cobra and Higher Power moved to dismiss these claims and, on January 24, 2020, after the hearing on the motion to dismiss, Malcom dismissed his claims without prejudice. On December 23, 2019, Malcom filed an appeal of the Temporary Injunction Order enjoining him from competing against Higher Power. On April 20, 2020, the Court of Appeals Seventh District of Texas denied Malcom’s appeal. At this time, the Company is not able to predict the outcome of this lawsuit. However, the Company does not believe it will have a material impact on the Company’s business, financial position, results of operations or cash flows.

As of March 31, 2020, PREPA owed the Company approximately \$27.0 million for services performed, excluding \$49.7 million of interest charged on these delinquent balances as of March 31, 2020. The Company believes these receivables are collectible. PREPA, however, is currently subject to bankruptcy proceedings, which were filed in July 2017 and are currently pending in the U.S. District Court for the District of Puerto Rico. As a result, PREPA’s ability to meet its payment obligations is largely dependent upon funding from the Federal Emergency Management Agency or other sources. On September 30, 2019, Cobra filed a motion with the U.S. District Court for the District of Puerto Rico seeking recovery of the amounts owed to Cobra by PREPA. PREPA filed a motion to stay Cobra’s motion on the ground that the ongoing criminal proceedings described above against the former president of Cobra and two other individuals may affect the recovery of those amounts. On October 17, 2019, the court granted PREPA’s request to stay Cobra’s motion and, on February 3, 2020, extended the stay until an omnibus hearing to be held in June 2020. On March 25, 2020, Cobra filed an urgent motion to modify the stay order and allow the undisputed tax claims. Pursuant to its urgent motion, Cobra seeks to recover approximately \$61.7 million in undisputed claims related to a tax gross-up provision contained in the emergency master service agreement, as amended, that was entered into with PREPA on October 19, 2017. On April 7, 2020, PREPA filed a response brief to Cobra’s urgent motion, and Cobra filed its reply brief on April 14, 2020. A ruling on Cobra’s urgent motion is pending. In the event PREPA (i) does not have or does not obtain the funds necessary to satisfy its obligations to Cobra under the contracts, (ii) obtains the necessary funds but refuses to pay the amounts owed to the Company or (iii) otherwise does not pay amounts owed to the Company for services performed, the receivable may not be collectible.

On December 18, 2019, Gulfport filed a lawsuit against Stingray Pressure Pumping in the Superior Court of the State of Delaware. Pursuant to the complaint, Gulfport seeks to terminate the October 1, 2014, Amended and Restated Master Services Agreement for Pressure Pumping Services between Gulfport and Stingray Pressure Pumping (“MSA”). In addition, Gulfport alleges breach of contract and seeks damages for alleged overpayments and audit costs under the MSA and other fees and expenses associated with this lawsuit. Further, Gulfport has not made any of the \$17.0 million of

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payments owed to Stingray Pressure Pumping under this contract for any periods subsequent to its alleged December 28, 2019 termination date. During the three months ended March 31, 2020, the Company recognized \$17.8 million in revenue under this contract. The Company believes Gulfport's claims are without merit and will vigorously defend the action. However, at this time, the Company is not able to predict the outcome of this lawsuit or whether it will have a material impact on the Company's business, financial condition, results of operations or cash flows. On March 26, 2020, Stingray Pressure Pumping filed a counterclaim against Gulfport seeking to recover unpaid fees and expenses due to Stingray Pressure Pumping under the MSA.

On January 21, 2020, Mastec Renewables Puerto Rico, LLC ("Mastec") filed a lawsuit against Mammoth Inc., and Cobra, in the U.S. District Court in the Southern District of Florida. Pursuant to its complaint, Mastec asserts claims against the Company and Cobra for violations of the federal Racketeer Influenced and Corrupt Organizations Act, tortious interference and violations of Puerto Rico laws. Mastec seeks unspecified damages based on its claimed deprivation of work under the alleged \$500 million contract, including lost profits, mobilization expenses, lost opportunity damages, costs and prejudgment interest because of the Company's and Cobra's alleged wrongful interference, payment of bribes, and other inducement to a FEMA official in order to secure two infrastructure contracts to aid in the rebuilding of the energy infrastructure in Puerto Rico after Hurricane Maria. On April 1, 2020, the defendants filed a motion to dismiss the complaint. The Company believes these claims are without merit and will vigorously defend the action. However, at this time, the Company is not able to predict the outcome of this lawsuit or whether it will have a material impact on the Company's business, financial condition, results of operations or cash flows.

The Company is involved in various other legal proceedings in the ordinary course of business. Although the Company cannot predict the outcome of these proceedings, legal matters are subject to inherent uncertainties and there exists the possibility that the ultimate resolution of these matters could have a material adverse effect on the Company's business, financial condition, results of operations or cash flows.

**Defined Contribution Plan**

The Company sponsors a 401(k) defined contribution plan for the benefit of substantially all employees at their date of hire. The plan allows eligible employees to contribute up to 92% of their annual compensation, not to exceed annual limits established by the federal government. The Company makes discretionary matching contributions of up to 3% of an employee's compensation and may make additional discretionary contributions for eligible employees. For the three months ended March 31, 2020 and 2019, the Company paid \$0.4 million and \$0.9 million, respectively, in contributions to the plan.

**19. Reporting Segments**

As of March 31, 2020, the Company's revenues, income before income taxes and identifiable assets are primarily attributable to four reportable segments. The Company principally provides electric infrastructure services to private utilities, public investor-owned utilities and co-operative utilities and services in connection with on-shore drilling of oil and natural gas wells for small to large domestic independent oil and natural gas producers.

The Company's Chief Executive Officer and Chief Financial Officer comprise the Company's Chief Operating Decision Maker function ("CODM"). Segment information is prepared on the same basis that the CODM manages the segments, evaluates the segment financial statements and makes key operating and resource utilization decisions. Segment evaluation is determined on a quantitative basis based on a function of operating income (loss) less impairment expense, as well as a qualitative basis, such as nature of the product and service offerings and types of customers.

Prior to the year ended December 31, 2019, the Company had three reportable segments, including infrastructure services, pressure pumping services and natural sand proppant services. Based on its assessment of FASB ASC 280, *Segment Reporting*, guidance at December 31, 2019, the Company changed its reportable segment presentation in 2019 to include its drilling services, which includes Bison Drilling and Field Services LLC, Bison Trucking LLC, Panther Drilling Systems LLC, Mako Acquisitions LLC and White Wing Tubular LLC, as its own reportable segment. The results of the entities were previously included in the reconciling column titled "All Other" in the table below for the three months ended March 31, 2019. As of March 31, 2020, the Company's four reportable segments include infrastructure services ("Infrastructure"), pressure pumping services ("Pressure Pumping"), natural sand proppant services ("Sand") and drilling services ("Drilling"). The results for the three months ended March 31, 2019 have been retroactively adjusted to reflect his change in reportable segments.

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During certain of the periods presented, the Infrastructure segment provided electric utility infrastructure services to government-funded utilities, private utilities, public investor-owned utilities and co-operative utilities in Puerto Rico and the northeast, southwest and midwest portions of the United States. The Pressure Pumping segment provides hydraulic fracturing and water transfer services primarily in the Utica Shale of Eastern Ohio, Marcellus Shale in Pennsylvania, Eagle Ford and Permian Basins in Texas and the mid-continent region. The Sand segment mines, processes and sells sand for use in hydraulic fracturing. The Sand segment primarily services the Utica Shale, Permian Basin, SCOOP, STACK and Montney Shale in British Columbia and Alberta, Canada. During certain of the periods presented, the Drilling segment provided contract land and directional drilling services primarily in the Permian Basin and mid-continent region.

During certain of the periods presented, the Company also provided coil tubing services, flowback services, cementing services, acidizing services, equipment rental services, full service transportation, crude oil hauling services, remote accommodation, oilfield equipment manufacturing and infrastructure engineering and design services. The businesses that provide these services are distinct operating segments, which the CODM reviews independently when making key operating and resource utilization decisions. None of these operating segments meet the quantitative thresholds of a reporting segment and do not meet the aggregation criteria set forth in ASC 280 *Segment Reporting*. Therefore, results for these operating segments are included in the column labeled "All Other" in the tables below. Additionally, assets for corporate activities, which primarily include cash and cash equivalents, inter-segment accounts receivable, prepaid insurance and certain property and equipment, are included in the All Other column. Although Mammoth LLC, which holds these corporate assets, meets one of the quantitative thresholds of a reporting segment, it does not engage in business activities from which it may earn revenues and its results are not regularly reviewed by the Company's CODM when making key operating and resource utilization decisions. Therefore, the Company does not include it as a reportable segment.

Sales from one segment to another are generally priced at estimated equivalent commercial selling prices. Total revenue and Total cost of revenue amounts included in the Eliminations column in the following tables include inter-segment transactions conducted between segments. Receivables due for sales from one segment to another and for corporate allocations to each segment are included in the Eliminations column for Total assets in the following tables. All transactions conducted between segments are eliminated in consolidation. Transactions conducted by companies within the same reporting segment are eliminated within each reporting segment. The following tables set forth certain financial information with respect to the Company's reportable segments (in thousands):

Three months ended March 31, 2020	Infrastructure	Pressure Pumping	Sand	Drilling	All Other	Eliminations	Total
Revenue from external customers	\$ 25,705	\$ 42,686	\$ 10,154	\$ 4,723	\$ 14,115	\$ —	\$ 97,383
Intersegment revenues	—	936	95	55	775	(1,861)	—
<b>Total revenue</b>	<b>25,705</b>	<b>43,622</b>	<b>10,249</b>	<b>4,778</b>	<b>14,890</b>	<b>(1,861)</b>	<b>97,383</b>
Cost of revenue, exclusive of depreciation, depletion, amortization and accretion	26,946	26,208	10,657	5,635	12,460	—	81,906
Intersegment cost of revenues	8	627	302	130	794	(1,861)	—
<b>Total cost of revenue</b>	<b>26,954</b>	<b>26,835</b>	<b>10,959</b>	<b>5,765</b>	<b>13,254</b>	<b>(1,861)</b>	<b>81,906</b>
Selling, general and administrative	4,297	2,222	1,251	1,063	1,938	—	10,771
Depreciation, depletion, amortization and accretion	7,934	8,492	2,312	2,877	4,267	—	25,882
Impairment of goodwill	—	53,406	—	—	1,567	—	54,973
Impairment of other long-lived assets	—	4,203	—	326	8,368	—	12,897
<b>Operating loss</b>	<b>(13,480)</b>	<b>(51,536)</b>	<b>(4,273)</b>	<b>(5,253)</b>	<b>(14,504)</b>	<b>—</b>	<b>(89,046)</b>
Interest expense, net	757	293	61	268	259	—	1,638
Other (income) expense, net	(7,276)	(109)	(37)	27	(14)	—	(7,409)
<b>Loss before income taxes</b>	<b>\$ (6,961)</b>	<b>\$ (51,720)</b>	<b>\$ (4,297)</b>	<b>\$ (5,548)</b>	<b>\$ (14,749)</b>	<b>\$ —</b>	<b>\$ (83,275)</b>

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Three months ended March 31, 2019	Infrastructure	Pressure Pumping	Sand	Drilling	All Other	Eliminations	Total
Revenue from external customers	\$ 108,721	\$ 90,595	\$ 24,964	\$ 13,576	\$ 24,282	\$ —	\$ 262,138
Intersegment revenues	—	1,544	12,897	219	766	(15,426)	—
Total revenue	108,721	92,139	37,861	13,795	25,048	(15,426)	262,138
Cost of revenue, exclusive of depreciation, depletion, amortization and accretion	58,965	64,211	30,252	12,652	22,990	—	189,070
Intersegment cost of revenues	—	13,537	1,047	272	552	(15,408)	—
Total cost of revenue	58,965	77,748	31,299	12,924	23,542	(15,408)	189,070
Selling, general and administrative	9,517	3,213	1,519	1,363	1,724	—	17,336
Depreciation, depletion, amortization and accretion	7,719	9,893	2,873	3,578	4,513	—	28,576
Operating income (loss)	32,520	1,285	2,170	(4,070)	(4,731)	(18)	27,156
Interest expense, net	39	198	30	127	129	—	523
Other (income) expense, net	(24,824)	(1)	—	(22)	290	—	(24,557)
Income (loss) before income taxes	\$ 57,305	\$ 1,088	\$ 2,140	\$ (4,175)	\$ (5,150)	\$ (18)	\$ 51,190

	Infrastructure	Pressure Pumping	Sand	Drilling	All Other	Eliminations	Total
As of March 31, 2020:							
Total assets	\$ 411,768	\$ 124,693	\$ 185,782	\$ 58,357	\$ 132,730	\$ (39,319)	\$ 874,011
As of December 31, 2019:							
Total assets	\$ 420,285	\$ 175,259	\$ 190,382	\$ 61,545	\$ 142,731	\$ (37,817)	\$ 952,385

## 20. Subsequent Events

### *Impact of COVID-19 and Recent Collapse in Commodity Prices*

Oil prices, which dropped sharply in early March 2020 and then continued to decline reaching levels below zero dollars per barrel, are expected to remain volatile as a result of the sharp decline in demand due to the ongoing COVID-19 pandemic, oversupply of crude oil and limited pipeline and storage capacity, among other factors. As a result, demand for the Company's oilfield services, which was already under considerable pressure from reductions in its customers' capital expenditure budgets in 2019, declined further at the end of the first quarter of 2020. Depressed levels of oilfield service activity are expected to continue for the foreseeable future. This has had, and will continue to have, an adverse effect on the Company's business, financial condition, results of operations and cash flows. The Company cannot predict if, or when, commodity prices will improve and stabilize. The COVID-19 pandemic, the broad reduction in economic activity, the current conditions in the energy industry and the adverse macroeconomic conditions have also had an adverse effect on pricing for the Company's oilfield services.

## Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations

*The following discussion should be read in conjunction with the unaudited condensed consolidated financial statements and related notes thereto presented in this Quarterly Report and the consolidated financial statements and related notes thereto included in our Annual Report on Form 10-K. This discussion contains forward-looking statements reflecting our current expectations, estimates and assumptions concerning events and financial trends that may affect our future operating results or financial position. Actual results and the timing of events may differ materially from those contained in these forward-looking statements due to a number of factors, including those discussed in Item 1A. "Risk Factors" in this Quarterly Report and in our Form 10-K for the year ended December 31, 2019, filed with the Securities and Exchange Commission, or the SEC, on March 2, 2020 and the section entitled "Forward-Looking Statements" appearing elsewhere in this Quarterly Report.*

### Overview

We are an integrated, growth-oriented company serving both the electric utility and oil and gas industries in North America. Our primary business objective is to grow our operations and create value for stockholders through organic growth opportunities and accretive acquisitions. Our suite of services includes infrastructure services, pressure pumping services, natural sand proppant services, drilling services and other services, which includes coil tubing, equipment rental, full service transportation, crude oil hauling, remote accommodations, oilfield equipment manufacturing and infrastructure engineering and design services. Our infrastructure services division provides construction, upgrade, maintenance and repair services to the electrical infrastructure industry. Our pressure pumping services division provides hydraulic fracturing, sand hauling and water transfer services. Our natural sand proppant services division mines, processes and sells natural sand proppant used for hydraulic fracturing. Our drilling services division currently provides rental equipment, such as mud motors and operational tools, for both vertical and horizontal drilling. In addition to these service divisions, we also provide coil tubing services, pressure control services, equipment rentals, full service transportation, crude oil hauling services, remote accommodations, oilfield equipment manufacturing and infrastructure engineering and design services. We believe that the services we offer play a critical role in maintaining and improving electrical infrastructure as well as in increasing the ultimate recovery and present value of production streams from unconventional resources. Our complementary suite of services provides us with the opportunity to cross-sell our services and expand our customer base and geographic positioning.

Our transformation towards an industrial based company is ongoing. During the fourth quarter of 2019, we began infrastructure engineering operations focused on the transmission and distribution industry and also commenced oilfield equipment manufacturing operations. The startup of oilfield equipment manufacturing operations provides us with the ability to repair much of our existing equipment in-house, as well as the option to manufacture certain new equipment we may need in the future. The oilfield equipment manufacturing operations will initially serve our internal needs for our water transfer and equipment rental businesses, but we expect to expand into third party sales in the future. We are continuing to explore other opportunities to expand our business lines as we shift to a broader industrial focus.

### Recent Developments

#### *Impact of COVID-19 and Recent Collapse in Commodity Prices*

On March 11, 2020, the World Health Organization characterized the global spread of the novel strain of coronavirus, COVID-19, as a “pandemic.” To limit the spread of COVID-19, governments have taken various actions including the issuance of stay-at-home orders and social distancing guidelines, causing some businesses to suspend operations and a reduction in demand for many products from direct or ultimate customers. Such actions have resulted in a swift and unprecedented reduction in international and U.S. economic activity which, in turn, has adversely affected the demand for oil and natural gas and caused significant volatility and disruption of the capital and financial markets.

In March 2020, concurrent with the spread of COVID-19 in the U.S., oil prices dropped sharply, and then continued to decline reaching levels as low as zero dollars per barrel. This was a result of multiple factors affecting global oil and natural gas markets, including the announcement of price reductions and production increases by OPEC members and other oil exporting nations and the ongoing COVID-19 pandemic. Commodity prices are expected to continue to be volatile as a result of production levels, inventories and demand, and national and international economic performance. We cannot predict if, or when, commodity prices will improve and stabilize.

Beginning in early March 2020, in response to the COVID-19 pandemic and the depressed commodity prices, many exploration and production companies, including our customers, immediately began to substantially reduce their capital expenditure budgets. As a result, demand for our oilfield services, which was already under considerable pressure from

reductions in our customers' capital expenditure budgets in 2019, declined further at the end of the first quarter of 2020. Depressed levels of our oilfield service activity are expected to continue for the foreseeable future. The COVID-19 pandemic, the broad reduction in economic activity, the current conditions in the energy industry and the adverse macroeconomic conditions have also had an adverse effect on pricing for our oilfield services. In addition, due to the sharp decline in commodity prices, the effects of the COVID-19 pandemic and other factors discussed above, we recorded impairments to certain of our long-lived assets, including water transfer, crude oil hauling, coil tubing, flowback, rental and other equipment, as well as impairment to our goodwill during the first quarter ended March 31, 2020.

We are taking responsible steps to protect the health and safety of our employees during the COVID-19 pandemic. We are also actively monitoring the impact of the COVID-19 pandemic and the adverse industry and market conditions and are taking mitigating steps to preserve liquidity, reduce costs and lower capital expenditures. These actions have included reducing headcount, adjusting pay and limiting spending. We will continue to take further actions that we deem to be in the best interest of the Company and our stockholders if the current conditions do not improve. We are unable to predict the ultimate impact of the COVID-19 pandemic, the depressed commodity markets and adverse macroeconomic conditions on our business, financial condition, results of operations, cash flows and stock price.

### ***Revolving Credit Facility***

On February 26, 2020, we amended our revolving credit facility to, among other things, (i) amend our financial covenants, (ii) decrease the maximum revolving advance amount from \$185 million to \$130 million, (iii) decrease the amount that the maximum revolving advance can be increased to (the accordion) from \$350 million to \$180 million, (iv) increase the applicable margin ranges from 2.00% to 2.50% per annum in the case of the alternate base rate and from 3.00% to 3.50% per annum in the case of LIBOR, (v) increase the aggregate amount of permitted asset dispositions, and (vi) permit certain sale-leaseback transactions. For additional information regarding the amendments to our revolving credit facility, see “—Our Revolving Credit Facility” below.

### **First Quarter 2020 Financial Highlights**

- Net loss of \$84 million, or \$1.85 per diluted share, and adjusted net loss of \$16 million, or \$0.36 per diluted share, for the three months ended March 31, 2020. See “Non-GAAP Financial Measures” below for a reconciliation of net loss to adjusted net loss.
- Adjusted EBITDA of \$13 million for the three months ended March 31, 2020. See “Non-GAAP Financial Measures” below for a reconciliation of net loss to adjusted EBITDA.

### **Industry Overview**

#### ***Energy Infrastructure Industry***

In 2017, we expanded into the electric infrastructure business, offering both commercial and storm restoration services to government-funded utilities, private utilities, public investor owned utilities and cooperatives. Since we commenced operations in this line of business, a substantial portion of our infrastructure revenue has been generated from storm restoration work, primarily from the Puerto Rico Electric Power Authority, or PREPA, due to damage caused by Hurricane Maria. On October 19, 2017, Cobra Acquisitions LLC, or Cobra, and PREPA entered into an emergency master services agreement for repairs to PREPA's electrical grid. The one-year contract, as amended, provided for payments of up to \$945 million. On May 26, 2018, Cobra and PREPA entered into a new one-year, \$900 million master services agreement to provide additional repair services and begin the initial phase of reconstruction of the electrical power system in Puerto Rico. Our work under each of the contracts with PREPA ended on March 31, 2019.

As of March 31, 2020, PREPA owed us approximately \$227 million for services performed excluding approximately \$50 million of interest charged on these delinquent balances as of March 31, 2020. See Note 2. Basis of Presentation and Significant Accounting Policies—Accounts Receivable of our unaudited condensed consolidated financial statements. PREPA is currently subject to bankruptcy proceedings, which were filed in July 2017 and are currently pending in the U.S. District Court for the District of Puerto Rico. As a result, PREPA's ability to meet its payment obligations under the contracts is largely dependent upon funding from the Federal Emergency Management Agency or other sources. On September 30, 2019, we filed a motion with the U.S. District Court for the District of Puerto Rico seeking recovery of the amounts owed to us by PREPA. PREPA filed a motion to stay our motion on the ground that the ongoing criminal proceedings described below against the former president of Cobra and two other individuals may affect our recovery of those amounts. On October 17, 2019, the court granted PREPA's request to stay our motion and, on February 3, 2020, extended the stay until an omnibus hearing to be held in

June 2020. On March 25, 2020, we filed an urgent motion to modify the stay order and allow the undisputed tax claims. Pursuant to our urgent motion, we seek to recover approximately \$62 million in undisputed claims related to a tax gross-up provision contained in the emergency master service agreement, as amended, that was entered into with PREPA on October 19, 2017. On April 7, 2020, PREPA filed a response brief to our urgent motion, and we filed our reply brief on April 14, 2020. A ruling on Cobra's urgent motion is pending. In the event PREPA (i) does not have or does not obtain the funds necessary to satisfy its obligations to Cobra under the contracts, (ii) obtains the necessary funds but refuses to pay the amounts owed to us or (iii) otherwise does not pay amounts owed to us for services performed, the receivable may not be collected and our financial condition, results of operations and cash flows would be materially and adversely affected. In addition, government contracts are subject to various uncertainties, restrictions and regulations, including oversight audits and compliance reviews by government agencies and representatives. In this regard, on September 10, 2019, the U.S. District Court for the District of Puerto Rico unsealed an indictment that charged the former president of Cobra with conspiracy, wire fraud, false statements and disaster fraud. Two other individuals were also charged in the indictment. The indictment is focused on the interactions between a former FEMA official and the former President of Cobra. Neither we nor any of our subsidiaries were charged in the indictment. We are continuing to cooperate with the related investigation. We are also subject to investigations and legal proceedings related to our contracts with PREPA. Given the uncertainty inherent in the criminal litigation, investigations and legal proceedings, it is not possible at this time to determine the potential outcome or other potential impacts that they could have on us. See Note 18. Commitments and Contingencies to our unaudited condensed consolidated financial statements included elsewhere in this quarterly report for additional information regarding these investigations and proceedings. Further, as noted above, our contracts with PREPA have concluded and we have not obtained, and there can be no assurance that we will be able to obtain, one or more contracts with PREPA or other customers to replace the level of services that we provided to PREPA under our previous contracts.

Demand for our infrastructure services in the continental United States remains steady. Although our crew count declined slightly from approximately 140 crews as of December 31, 2019 to approximately 130 crews as of March 31, 2020, the COVID-19 pandemic and resulting economic conditions have not had a material impact on demand or pricing for our infrastructure services. Transmission crew size varies based upon the scope of the project and factors such as voltage, structure type, number of conductors and type of foundation. Each distribution crew generally consists of five employees. These transmission and distribution crews are working for multiple utilities primarily across the northeastern, midwestern and southwestern portions of the United States. During the fourth quarter of 2019, we hired a new president for our infrastructure division and have added experienced industry personnel to key management positions. With this team in place, we believe we will be able to grow our customer base and increase our revenues in the continental United States over the coming years. We also believe that the skill sets and experience of our crews will afford us enhanced bidding opportunities in both the U.S. and overseas.

As of March 31, 2020, our infrastructure services backlog was approximately \$425 million, all of which is attributable to operations in the continental United States. Estimated backlog for our infrastructure services represents the amount of revenue we expect to realize over the next 36 months from future work on uncompleted construction projects, including new contracts under which work has not begun. Our estimated backlog also includes amounts payable to us under master service and other service agreements. Estimated infrastructure services backlog for work under master service and other service agreements is determined based on historical trends, experience from similar projects and estimates of customer demand based on communications with our customers.

Approximately \$419 million of our infrastructure services backlog as of March 31, 2020 is attributable to amounts under master service or other service agreements pursuant to which our customers are not contractually committed to purchase a minimum amount of services. Most of these agreements can be canceled on short or no advance notice. Timing of revenue for our infrastructure services backlog can be subject to change as a result of our delays, customer delays, regulatory delays or other factors. These changes could cause estimated revenue to be realized in periods later than originally expected, or not at all. We occasionally experience postponements, cancellations and reductions in expected future work from master service agreements or other service agreements due to changes in our customers' spending plans, market volatility, governmental funding and regulatory factors. There can be no assurance as to our customers' requirements or the accuracy of our estimates. As a result, our backlog as of any particular date is an uncertain indicator of future revenue and earnings.

Backlog is not a term recognized under accounting principles generally accepted in the United States; however, it is a common measurement used in the infrastructure industry. As such, our methodology for determining backlog is not comparable to the methodologies used by others.

### ***Oil and Natural Gas Industry***

The oil and natural gas industry has traditionally been volatile and is influenced by a combination of long-term, short-term and cyclical trends, including the domestic and international supply and demand for oil and natural gas, current and expected future prices for oil and natural gas and the perceived stability and sustainability of those prices, production depletion rates and the resultant levels of cash flows generated and allocated by exploration and production companies to their drilling, completion and related services and products budget. The oil and natural gas industry is also impacted by general domestic and international economic conditions, political instability in oil producing countries, government regulations (both in the United States and elsewhere), levels of customer demand, the availability of pipeline capacity, storage capacity and other conditions and factors that are beyond our control. See “Recent Developments—Impact of COVID-19 and Recent Collapse in Commodity Prices” above.

Demand for most of our oil and natural gas products and services depends substantially on the level of expenditures by companies in the oil and natural gas industry. The levels of capital expenditures of our customers are predominantly driven by the prices of oil and natural gas. As discussed above, oil prices dropped sharply in early March 2020, and then continued to decline reaching levels below zero dollars per barrel. Oil and natural gas prices are expected to continue to be volatile and we cannot predict if, or when, commodity prices will improve and stabilize. We experienced a weakening in demand for our oilfield services during 2019 as a result of reductions in our customers' capital expenditure budgets. The sharp decline in oil prices beginning in March 2020 has further reduced the utilization and pricing of our oilfield services. Given the rapid decrease seen in oil pricing during April 2020, further reductions in our utilization rates and pricing are expected.

In response to market conditions, in July 2019 we temporarily shut down our cementing and acidizing operations and flowback operations. Additionally, in December 2019 we temporarily shut down our contract drilling operations. We continue to monitor the market to determine if and when we can recommence these services. Further, we are currently operating only one of our six pressure pumping fleets. Based on current feedback from our exploration and production customers, they are taking a cautious approach to activity levels in 2020 given the recent volatility in oil prices and investor sentiment calling for activities to remain within or below cash flows. Market fundamentals are challenging for our oil field businesses. Although we believe the reported retirement of equipment across the industry may, at some point, help the market, pricing and utilization for our oilfield services are expected to remain depressed for the foreseeable future.

We intend to closely monitor our cost structure in response to market conditions and pursue cost savings where possible. Further, a significant portion of our revenue from our pressure pumping business is derived from Gulfport pursuant to a contract that expires in December 2021. On December 28, 2019, Gulfport filed a lawsuit alleging our breach of this contract and seeking to terminate the contract and recover damages for alleged overpayments, audit costs and legal fees. Gulfport has not made the payments owed to us under this contract for any periods subsequent to its alleged December 28, 2019 termination date. We believe Gulfport's actions are without merit and will vigorously defend the lawsuit. However, the termination of our relationship with Gulfport, or nonrenewal of our contract with Gulfport, or one or more of our other customers, if not replaced with comparable or greater levels of service from other customers, would result in lower utilization rates for our pressure pumping equipment and, as a result, would have a material adverse effect on our business, financial condition, results of operations and cash flow.

### ***Natural Sand Proppant Industry***

In the natural sand proppant industry, demand growth for frac sand and other proppants is primarily driven by advancements in oil and natural gas drilling and well completion technology and techniques, such as horizontal drilling and hydraulic fracturing, as well as overall industry activity growth.

In 2018 and 2019, several new and existing suppliers completed planned capacity additions of frac sand supply, particularly in the Permian Basin. The industry expansion, coupled with increased capital discipline and budget exhaustion, caused the frac sand market to become oversupplied, particularly in finer grades, during the second half of 2019. With the frac sand market oversupplied, pricing for all grades has fallen significantly from the peaks experienced throughout 2018 and during the first half of 2019. This oversupply resulted in several industry participants idling and closing high cost mines in an attempt to restore the supply and demand balance and reduce the number of industry participants. Nevertheless, demand for our sand declined significantly in the second half of 2019 and first quarter of 2020 as a result of completion activity falling due to lower oil pricing as discussed above, increased capital discipline by our customers and budget exhaustion, among other factors. We cannot predict if and when demand and pricing will recover sufficiently to return our natural sand proppant services segment to profitability.

Further, as a result of adverse market conditions, production at our Muskie sand facility in Pierce County, Wisconsin has been temporarily idled since September 2018. Our Taylor sand facility in Taylor, Wisconsin and Piranha sand facility in New Auburn, Wisconsin are currently running at approximately 10% capacity.

Our subsidiary Muskie Proppant is a party to a contract with Gulfport under which we sell and deliver specified amounts of sand to Gulfport. The agreement, as amended, has a term ending in December 2021. This agreement is not subject to the current disputes with Gulfport regarding our pressure pumping contract.

## Results of Operations

### Three Months Ended March 31, 2020 Compared to Three Months Ended March 31, 2019

	Three Months Ended	
	March 31, 2020	March 31, 2019
(in thousands)		
<b>Revenue:</b>		
Infrastructure services	\$ 25,705	\$ 108,721
Pressure pumping services	43,622	92,139
Natural sand proppant services	10,249	37,861
Drilling services	4,778	13,795
Other services	14,890	25,048
Eliminations	(1,861)	(15,426)
Total revenue	97,383	262,138
<b>Cost of revenue:</b>		
Infrastructure services (exclusive of depreciation and amortization of \$7,927 and \$7,711, respectively, for the three months ended March 31, 2020 and 2019)	26,954	58,965
Pressure pumping services (exclusive of depreciation and amortization of \$8,487 and \$9,884, respectively, for the three months ended March 31, 2020 and 2019)	26,835	77,748
Natural sand proppant services (exclusive of depreciation, depletion and accretion of \$2,309 and \$2,871, respectively, for the three months ended March 31, 2020 and 2019)	10,959	31,299
Drilling services (exclusive of depreciation and amortization of \$2,876 and \$3,576, respectively, for the three months ended March 31, 2020 and 2019)	5,765	12,924
Other services (exclusive of depreciation and amortization of \$4,264 and \$4,511, respectively, for the three months ended March 31, 2020 and 2019)	13,254	23,542
Eliminations	(1,861)	(15,408)
Total cost of revenue	81,906	189,070
Selling, general and administrative expenses	10,771	17,336
Depreciation, depletion, amortization and accretion	25,882	28,576
Impairment of goodwill	54,973	—
Impairment of other long-lived assets	12,897	—
Operating (loss) income	(89,046)	27,156
Interest expense, net	(1,638)	(523)
Other income (expense), net	7,409	24,557
(Loss) income before income taxes	(83,275)	51,190
Provision for income taxes	696	22,857
Net (loss) income	\$ (83,971)	\$ 28,333

**Revenue.** Revenue for the three months ended March 31, 2020 decreased \$165 million, or 63%, to \$97 million from \$262 million for the three months ended March 31, 2019. The decrease in total revenue is primarily attributable to decreases in infrastructure services revenue, pressure pumping services revenue and natural sand proppant revenue of \$83 million, \$48 million and \$28 million, respectively, during the three months ended March 31, 2020. Revenue derived from related parties was \$20 million, or 20% of our total revenues, for the three months ended March 31, 2020 and \$57 million, or 22% of our total revenue, for the three months ended March 31, 2019. Substantially all of our related party revenue is derived from Gulfport under pressure pumping and sand contracts. Revenue by operating division was as follows:

**Infrastructure Services.** Infrastructure services division revenue decreased \$83 million, or 76%, to \$26 million for the three months ended March 31, 2020 from \$109 million for the three months ended March 31, 2019 primarily due to the conclusion on March 31, 2019 of the work we performed under our contracts with PREPA for repairs to Puerto Rico's electrical grid as a result of Hurricane Maria. For additional information regarding our contracts with PREPA and our infrastructure services, see "Industry Overview - Electrical Infrastructure Industry" above. Revenue from operations in the continental United States increased \$3 million, or 13%, to \$26 million for the three months ended March 31, 2020 from \$23 million for the three months ended March 31, 2019.

**Pressure Pumping Services.** Pressure pumping services division revenue decreased \$48 million, or 52%, to \$44 million for the three months ended March 31, 2020 from \$92 million for the three months ended March 31, 2019. Revenue derived from related parties was \$18 million, or 41% of total pressure pumping revenue, for the three months ended March 31, 2020 compared to \$38 million, or 41% of total pressure pumping revenue, for the three months ended March 31, 2019. Substantially all of our related party revenue is derived from Gulfport under a pressure pumping contract. For additional information regarding the status of this contract, see Note 18. Commitments and Contingencies to our unaudited condensed consolidated financial statements included elsewhere in this quarterly report. Inter-segment revenue, consisting primarily of revenue derived from our sand segment, totaled \$1 million and \$2 million, respectively, for the three months ended March 31, 2020 and 2019.

The decrease in our pressure pumping services revenue was primarily driven by declines in utilization and pricing. The number of stages completed decreased 22% from 1,889 for the three months ended March 31, 2019 to 1,482 for the three months ended March 31, 2020. An average of 2.7 of our fleets were active for the three months ended March 31, 2020 as compared to an average of 4.4 fleets for the three months ended March 31, 2019.

**Natural Sand Proppant Services.** Natural sand proppant services division revenue decreased \$28 million, or 73%, to \$10 million for the three months ended March 31, 2020, from \$38 million for the three months ended March 31, 2019. Revenue derived from related parties was \$2 million, or 20% of total sand revenue, for the three months ended March 31, 2020 and \$13 million, or 33% of total sand revenue, for the three months ended March 31, 2019. Inter-segment revenue, consisting primarily of revenue derived from our pressure pumping segment, was nominal for the three months ended March 31, 2020 and \$13 million, or 34% of total sand revenue, for the three months ended March 31, 2019.

The decrease in our natural sand proppant services revenue was primarily attributable to a 64% decrease in tons of sand sold from 665,806 tons for the three months ended March 31, 2019 to 239,284 tons for the three months ended March 31, 2020, as well as a 58% decline in the average price per ton of sand sold from \$32.30 per ton during the three months ended March 31, 2019 to \$13.67 per ton during the three months ended March 31, 2020. Included in natural sand proppant services revenue is shortfall revenue of \$5 million and \$1 million, respectively, for the three months ended March 31, 2020 and 2019.

**Drilling Services.** Drilling services division revenue decreased \$9 million, or 65%, to \$5 million for the three months ended March 31, 2020, from \$14 million for the three months ended March 31, 2019. Revenue derived from related parties and inter-segment revenue were nominal for the months ended March 31, 2020 and 2019. The decline in our drilling services revenue was primarily attributable to declines in contract land drilling and rig hauling revenue of \$6 million and \$3 million, respectively. In response to market conditions, we temporarily shut down our contract land drilling operations in December 2019.

**Other Services.** Other revenue, consisting of revenue derived from our coil tubing, pressure control, flowback, cementing, acidizing, equipment rental, full service transportation, crude oil hauling, remote accommodation, oilfield equipment manufacturing and infrastructure engineering and design businesses, decreased \$10 million, or 40%, to \$15 million for the three months ended March 31, 2020 from \$25 million for the three months ended March 31, 2019. Revenue derived from related parties, consisting primarily of equipment rental revenue from Gulfport, was a nominal amount for the three months ended March 31, 2020 and \$5 million, or 20% of total other revenue, for the three months ended March 31, 2019. Inter-segment revenue, consisting primarily of revenue derived from our pressure pumping segment, was \$1 million for each of the three months ended March 31, 2020 and 2019.

The decrease in our other services revenue was primarily due to a decline in utilization for our equipment rental business. An average of 490 pieces of equipment were rented to customers during the three months ended March 31, 2020, a decrease of 21% from an average of 621 pieces of equipment rented to customers during the three months ended March 31, 2019. Additionally, utilization for our crude oil hauling business declined. An average of seven trucks were active during the three months ended March 31, 2020 compared to an average of 29 trucks during

the three months ended March 31, 2019. Due to market conditions, we temporarily shut down our cementing and acidizing operations as well as our flowback operations in July 2019, resulting in a decline in revenue. These decreases were partially offset by an increase in revenue for our remote accommodations business primarily due to an increase in room nights rented from 19,447 during the three months ended March 31, 2019 to 30,314 during the three months ended March 31, 2020.

**Cost of Revenue (exclusive of depreciation, depletion, amortization and accretion expense).** Cost of revenue, exclusive of depreciation, depletion, amortization and accretion expense, decreased \$107 million from \$189 million, or 72% of total revenue, for the three months ended March 31, 2019 to \$82 million, or 84% of total revenue, for the three months ended March 31, 2020. The decrease was primarily due to a decline in activity across all business lines. Cost of revenue by operating division was as follows:

**Infrastructure Services.** Infrastructure services division cost of revenue, exclusive of depreciation and amortization expense, decreased \$32 million, or 54%, to \$27 million for the three months ended March 31, 2020 from \$59 million for the three months ended March 31, 2019. The decrease is due to the conclusion on March 31, 2019 of the work we performed under our contracts with PREPA for repairs to Puerto Rico's electrical grid as a result of Hurricane Maria. As a percentage of revenue, cost of revenue, exclusive of depreciation and amortization expense of \$8 million for each of the three months ended March 31, 2020 and 2019, was 105% and 54% for the three months ended March 31, 2020 and 2019, respectively. The increase is primarily due to increased labor costs and equipment rental expense as a percentage of revenue.

**Pressure Pumping Services.** Pressure pumping services division cost of revenue, exclusive of depreciation and amortization expense, decreased \$51 million, or 65%, to \$27 million for the three months ended March 31, 2020 from \$78 million for the three months ended March 31, 2019, primarily due to a decline in activity. As a percentage of revenue, our pressure pumping services division cost of revenue, exclusive of depreciation and amortization expense of \$8 million and \$10 million for the three months ended March 31, 2020 and 2019, respectively, was 62% and 84% for the three months ended March 31, 2020 and 2019, respectively. The decrease is primarily due to the recognition of standby revenue during the three months ended March 31, 2020, of which there was a lower percentage of costs recognized compared to the three months ended March 31, 2019. Additionally, during the three months ended March 31, 2019, we provided sand and chemicals with our service package to customers, resulting in higher cost of goods sold as a percentage of revenue for this period in comparison to the three months ended March 31, 2020.

**Natural Sand Proppant Services.** Natural sand proppant services division cost of revenue, exclusive of depreciation, depletion and accretion expense, decreased \$20 million, or 65%, to \$11 million for the three months ended March 31, 2020 from \$31 million for the three months ended March 31, 2019, primarily due to a decline in cost of goods sold as a result of a 64% decrease in tons of sand sold. As a percentage of revenue, cost of revenue, exclusive of depreciation, depletion and accretion expense of \$2 million and \$3 million for the three months ended March 31, 2020 and 2019, respectively, was 107% and 83% for the three months ended March 31, 2020 and 2019, respectively. The increase in cost as a percentage of revenue is primarily due to a 58% decline in average price per ton of sand sold.

**Drilling Services.** Drilling services division cost of revenue, exclusive of depreciation and amortization expense, decreased \$7 million, or 54%, to \$6 million for the three months ended March 31, 2020 from \$13 million for the three months ended March 31, 2019. In response to market conditions, we temporarily shut down our contract land drilling operations in December 2019. As a percentage of revenue, our drilling services division cost of revenue, exclusive of depreciation and amortization expense of \$3 million and \$4 million for the three months ended March 31, 2020 and 2019, respectively, was 121% and 94% for the three months ended March 31, 2020 and 2019, respectively. The increase is primarily due to a decline in utilization.

**Other Services.** Other services division cost of revenue, exclusive of depreciation and amortization expense, decreased \$11 million, or 46%, to \$13 million for the three months ended March 31, 2020 from \$24 million for the three months ended March 31, 2019, primarily due to declines in cost of revenue for our equipment rental, crude oil hauling and coil tubing businesses as a result of reduced activity. Additionally, due to market conditions, we temporarily shut down our cementing and acidizing operations as well as our flowback operations in July 2019 resulting in a decline in cost of revenue. As a percentage of revenue, cost of revenue, exclusive of depreciation and amortization expense of \$4 million and \$5 million for the three months ended March 31, 2020 and 2019, respectively, was 89% and 94% for the three months ended March 31, 2020 and 2019, respectively. The decrease is primarily due to a decline in labor costs.

**Selling, General and Administrative Expenses.** Selling, general and administrative expenses, or SG&A, represent the costs associated with managing and supporting our operations. The table below presents a breakdown of SG&A expenses for the periods indicated (in thousands):

	Three Months Ended	
	March 31, 2020	March 31, 2019
Cash expenses:		
Compensation and benefits	\$ 3,969	\$ 9,230
Professional services	3,538	3,789
Other <sup>(a)</sup>	2,309	3,244
Total cash SG&A expense	9,816	16,263
Non-cash expenses:		
Bad debt provision	55	4
Stock based compensation	900	1,069
Total non-cash SG&A expense	955	1,073
Total SG&A expense	\$ 10,771	\$ 17,336

a. Includes travel-related costs, information technology expenses, rent, utilities and other general and administrative-related costs.

**Depreciation, Depletion, Amortization and Accretion.** Depreciation, depletion, amortization and accretion decreased \$3 million, or 10%, to \$26 million for the three months ended March 31, 2020 from \$29 million for the three months ended March 31, 2019. The decrease is primarily attributable to a decline in property and equipment depreciation expense.

**Impairment of Goodwill.** As a result of current market conditions, we performed an impairment assessment of our goodwill as of March 31, 2020. We determined that the carrying value of goodwill for certain of our entities exceeded their fair values, resulting in impairment expense of \$55 million. We did not record any goodwill impairment expense during the three months ended March 31, 2019.

**Impairment of Other Long-Lived Assets.** During the three months ended March 31, 2020, we recorded impairment of property and equipment, including water transfer, crude oil hauling, coil tubing and equipment rental assets, totaling \$13 million. We did not record any impairment of other long-lived assets during the three months ended March 31, 2019.

**Operating (Loss) Income.** We reported an operating loss of \$89 million for the three months ended March 31, 2020 as compared to operating income of \$27 million for the three months ended March 31, 2019. The decrease was primarily due to a \$46 million decline in operating income for our infrastructure services division due to a decline in activity as well as the recognition of \$68 million in impairment expense during the three months ended March 31, 2020.

**Interest Expense, Net.** Interest expense, net increased \$1 million during the three months ended March 31, 2020 compared to the three months ended March 31, 2019, primarily due to an increase in average borrowings outstanding as well as an increase in the average interest rate under our revolving credit facility.

**Other Income, Net.** Other income, net decreased \$17 million during the three months ended March 31, 2020 compared to the three months ended March 31, 2019 primarily due to a decline in interest on trade account receivable. Pursuant to the terms of our contracts with PREPA, we recognized interest on trade accounts receivable totaling \$8 million and \$26 million during the three months ended March 31, 2020 and 2019, respectively.

**Income Taxes.** We recorded income tax expense of \$1 million on pre-tax loss of \$83 million for the three months ended March 31, 2020 compared to \$23 million on pre-tax income of \$51 million for the three months ended March 31, 2019. Our effective tax rate was (1%) and 45%, respectively, for the three months ended March 31, 2020 and 2019. During the three months ended March 31, 2020, we recorded expense of \$5 million related to provisions in the Coronavirus Aid, Relief, and Economic Security (CARES) Act, which was enacted on March 27, 2020. Our effective tax rate was also impacted by permanent differences such as goodwill impairment. The decrease compared to the three months ended March 31, 2019 is primarily due to the mix of earnings between the United States and Puerto Rico.

## Non-GAAP Financial Measures

### Adjusted EBITDA

Adjusted EBITDA is a supplemental non-GAAP financial measure that is used by management and external users of our financial statements, such as industry analysts, investors, lenders and rating agencies. We define Adjusted EBITDA as net (loss) income before depreciation, depletion, amortization and accretion, impairment of goodwill, impairment of other long-lived assets, stock based compensation, interest expense, net, other (income) expense, net (which is comprised of the (gain) or loss on disposal of long-lived assets and interest on delinquent accounts receivable) and provision (benefit) for income taxes, further adjusted to add back interest on trade accounts receivable. We exclude the items listed above from net (loss) income in arriving at Adjusted EBITDA because these amounts can vary substantially from company to company within our industries depending upon accounting methods and book values of assets, capital structures and the method by which the assets were acquired. Adjusted EBITDA should not be considered as an alternative to, or more meaningful than, net (loss) income or cash flows from operating activities as determined in accordance with GAAP or as an indicator of our operating performance or liquidity. Certain items excluded from Adjusted EBITDA are significant components in understanding and assessing a company's financial performance, such as a company's cost of capital and tax structure, as well as the historic costs of depreciable assets, none of which are components of Adjusted EBITDA. Our computations of Adjusted EBITDA may not be comparable to other similarly titled measures of other companies. We believe that Adjusted EBITDA is a widely followed measure of operating performance and may also be used by investors to measure our ability to meet debt service requirements.

The following tables provide a reconciliation of Adjusted EBITDA to the GAAP financial measure of net income or (loss) for each of our operating segments for the specified periods (in thousands).

### Consolidated

	Three Months Ended	
	March 31,	
	2020	2019
<b>Reconciliation of Adjusted EBITDA to net (loss) income:</b>		
Net (loss) income	\$ (83,971)	\$ 28,333
Depreciation, depletion, amortization and accretion expense	25,882	28,576
Impairment of goodwill	54,973	—
Impairment of other long-lived assets	12,897	—
Stock based compensation	1,049	1,289
Interest expense, net	1,638	523
Other (income) expense, net	(7,409)	(24,557)
(Benefit) provision for income taxes	696	22,857
Interest on trade accounts receivable	7,696	25,735
Adjusted EBITDA	\$ 13,451	\$ 82,756

### Infrastructure Services

	Three Months Ended	
	March 31,	
	2020	2019
<b>Reconciliation of Adjusted EBITDA to net (loss) income:</b>		
Net (loss) income	\$ (9,452)	\$ 35,665
Depreciation and amortization expense	7,934	7,719
Stock based compensation	251	462
Interest expense	757	39
Other income, net	(7,276)	(24,824)
Provision for income taxes	2,491	21,639
Interest on trade accounts receivable	7,696	25,735
Adjusted EBITDA	\$ 2,401	\$ 66,435

**Pressure Pumping Services**

	Three Months Ended	
	March 31,	
	2020	2019
<b>Reconciliation of Adjusted EBITDA to net (loss) income:</b>		
Net (loss) income	\$ (51,720)	\$ 1,088
Depreciation and amortization expense	8,492	9,893
Impairment of goodwill	53,406	—
Impairment of other long-lived assets	4,203	—
Stock based compensation	335	410
Interest expense	293	198
Other (income) expense, net	(109)	(1)
Adjusted EBITDA	<u>\$ 14,900</u>	<u>\$ 11,588</u>

**Natural Sand Proppant Services**

	Three Months Ended	
	March 31,	
	2020	2019
<b>Reconciliation of Adjusted EBITDA to net (loss) income:</b>		
Net (loss) income	\$ (4,297)	\$ 2,140
Depreciation, depletion, amortization and accretion expense	2,312	2,873
Stock based compensation	225	203
Interest expense	61	30
Other (income) expense, net	(37)	—
Adjusted EBITDA	<u>\$ (1,736)</u>	<u>\$ 5,246</u>

**Drilling Services**

	Three Months Ended	
	March 31,	
	2020	2019
<b>Reconciliation of Adjusted EBITDA to net (loss):</b>		
Net loss	\$ (5,548)	\$ (4,175)
Depreciation expense	2,877	3,578
Impairment of other long-lived assets	326	—
Stock based compensation	94	100
Interest expense	268	127
Other expense (income), net	27	(22)
Adjusted EBITDA	<u>\$ (1,956)</u>	<u>\$ (392)</u>

**Other Services<sup>(a)</sup>**

	Three Months Ended	
	March 31,	
	2020	2019
<b>Reconciliation of Adjusted EBITDA to net loss:</b>		
Net loss	\$ (12,954)	\$ (6,367)
Depreciation, amortization and accretion expense	4,267	4,513
Impairment of goodwill	1,567	—
Impairment of other long-lived assets	8,368	—
Stock based compensation	144	114
Interest expense, net	259	129
Other (income) expense, net	(14)	290
Provision for income taxes	(1,795)	1,217
Adjusted EBITDA	<u>\$ (158)</u>	<u>\$ (104)</u>

a. Includes results for our coil tubing, pressure control, flowback, cementing, acidizing, equipment rentals, full service transportation, crude oil hauling, remote accommodations, oilfield equipment manufacturing and infrastructure engineering and design services and corporate related activities. Our corporate related activities do not generate revenue.

**Adjusted Net (Loss) Income and Adjusted (Loss) Earnings per Share**

Adjusted net (loss) income and adjusted (loss) earnings per share are supplemental non-GAAP financial measures that are used by management to evaluate our operating and financial performance. Management believes these measures provide meaningful information about the Company's performance by excluding certain non-cash charges, such as impairment of goodwill and impairment of other long-lived assets, that may not be indicative of the Company's ongoing operating results. Adjusted net (loss) income and adjusted (loss) earnings per share should not be considered in isolation or as a substitute for net (loss) income and (loss) earnings per share prepared in accordance with GAAP and may not be comparable to other similarly titled measures of other companies. The following tables provide a reconciliation of adjusted net (loss) income and adjusted (loss) earnings per share to the GAAP financial measures of net (loss) income and (loss) earnings per share for the periods specified.

	Three Months Ended	
	March 31,	
	2020	2019
<b>(in thousands, except per share amounts)</b>		
Net (loss) income, as reported	\$ (83,971)	\$ 28,333
Impairment of goodwill	54,973	—
Impairment of other long-lived assets	12,897	—
Adjusted net (loss) income	<u>\$ (16,101)</u>	<u>\$ 28,333</u>
Basic (loss) earnings per share, as reported	\$ (1.85)	\$ 0.63
Impairment of goodwill	1.21	—
Impairment of other long-lived assets	0.28	—
Adjusted basic (loss) earnings per share	<u>\$ (0.36)</u>	<u>\$ 0.63</u>
Diluted (loss) earnings per share, as reported	\$ (1.85)	\$ 0.63
Impairment of goodwill	1.21	—
Impairment of other long-lived assets	0.28	—
Adjusted diluted (loss) earnings per share	<u>\$ (0.36)</u>	<u>\$ 0.63</u>

## Liquidity and Capital Resources

We require capital to fund ongoing operations, including maintenance expenditures on our existing fleet of equipment, organic growth initiatives, investments and acquisitions. Our primary sources of liquidity have been cash on hand, borrowings under our revolving credit facility and cash flows from operations. Our primary uses of capital have been for investing in property and equipment used to provide our services, to acquire complementary businesses and to pay dividends to our stockholders. In July 2019, as a result of oilfield market conditions as well as other factors, which included collection delays from PREPA, our board of directors suspended the quarterly cash dividend. Future declaration of cash dividends are subject to approval by our board of directors and may be adjusted at its discretion based on market conditions and capital availability.

As of March 31, 2020, we had outstanding borrowings under our revolving credit facility of \$88 million and \$19 million of available borrowing capacity under this facility. This available borrowing capacity reflects (i) a minimum excess availability covenant of 10% of the maximum revolving advance amount and (ii) \$9 million of outstanding letters of credit.

Continued prolonged volatility in the capital, financial and/or credit markets due to the COVID-19 pandemic, the depressed commodity markets and/or adverse macroeconomic conditions may further limit our access to, or increase our cost of, capital or make capital unavailable on terms acceptable to us or at all. In addition, if we are unable to comply with the covenants under our revolving credit facility and an event of default occurs and remains uncured, our lenders would not be required to lend any additional amounts to us, could elect to increase our interest rate by 200 basis points, could elect to declare all outstanding borrowings, together with accrued and unpaid interest and fees, to be due and payable, may have the ability to require us to apply all of our available cash to repay our outstanding borrowings and may foreclose on substantially all of our assets.

The following table summarizes our liquidity as of the dates indicated (in thousands):

	March 31, 2020	December 31, 2019
Cash and cash equivalents	\$ 13,180	\$ 5,872
Revolving credit facility availability	129,809	184,809
Less minimum excess availability covenant	(13,000)	—
Less long-term debt	(88,350)	(80,000)
Less letter of credit facilities (environmental remediation)	(4,477)	(4,182)
Less letter of credit facilities (insurance programs)	(4,105)	(4,105)
Less letter of credit facilities (rail car commitments)	(455)	(455)
Net working capital (less cash) <sup>(a)</sup>	284,869	270,711
Total	<u>\$ 317,471</u>	<u>\$ 372,650</u>

a. Net working capital (less cash) is a non-GAAP measure and is calculated by subtracting total current liabilities of \$127 million and cash and cash equivalents of \$13 million from total current assets of \$425 million as of March 31, 2020. As of December 31, 2019, net working capital (less cash) is calculated by subtracting total current liabilities of \$130 million and cash and cash equivalents of \$6 million from total current assets of \$407 million. Amounts include receivables due from PREPA and Gulfport of \$277 million and \$18 million, respectively, at March 31, 2020 and \$269 million and \$7 million, respectively, at December 31, 2019.

As of May 6, 2020, we had cash on hand of \$17 million and outstanding borrowings under our revolving credit facility of \$94 million, leaving an aggregate of \$14 million of available borrowing capacity under this facility. This available borrowing capacity reflects (i) a minimum excess availability covenant of 10% of the maximum revolving advance amount and (ii) \$9 million of outstanding letters of credit.

## Liquidity and Cash Flows

The following table sets forth our cash flows at the dates indicated (in thousands):

	Three Months Ended	
	March 31,	
	2020	2019
Net cash provided by (used in) operating activities	\$ 1,541	\$ (102,994)
Net cash used in investing activities	(942)	(19,253)
Net cash provided by financing activities	6,898	75,933
Effect of foreign exchange rate on cash	(189)	32
Net change in cash	\$ 7,308	\$ (46,282)

### Operating Activities

Net cash provided by operating activities was \$2 million for the three months ended March 31, 2020, compared to net cash used in operating activities of \$103 million for the three months ended March 31, 2019. The increase in operating cash flows was primarily attributable to the timing of cash inflows for accounts receivable and cash outflows for income tax payments during the three months ended March 31, 2019.

### Investing Activities

Net cash used in investing activities was \$1 million for the three months ended March 31, 2020, compared to \$19 million for the three months ended March 31, 2019. Cash used in investing activities was primarily used to purchase property and equipment that is utilized to provide our services.

The following table summarizes our capital expenditures by operating division for the periods indicated (in thousands):

	Three Months Ended	
	March 31,	
	2020	2019
Infrastructure services <sup>(a)</sup>	\$ 77	\$ 3,254
Pressure pumping services <sup>(b)</sup>	604	7,329
Natural sand proppant services <sup>(c)</sup>	521	985
Drilling services <sup>(d)</sup>	8	2,267
Other <sup>(e)</sup>	290	6,438
Total capital expenditures	\$ 1,500	\$ 20,273

a. Capital expenditures primarily for truck, tooling and other equipment for the three months ended March 31, 2020 and 2019.

b. Capital expenditures primarily for pressure pumping and water transfer equipment for the three months ended March 31, 2020 and 2019.

c. Capital expenditures primarily for maintenance for the three months ended March 31, 2020 and 2019.

d. Capital expenditures primarily for equipment for our upgrades to our rig fleet for the three months ended March 31, 2019.

e. Capital expenditures primarily for equipment for our rental business for the three months ended March 31, 2020 and 2019.

### Financing Activities

Net cash provided by financing activities was \$7 million for the three months ended March 31, 2020, compared to \$76 million for the three months ended March 31, 2019. Net cash provided by financing activities for the three months ended March 31, 2020 was primarily attributable to net borrowings under our revolving credit facility of \$8 million, which was partially offset by debt issuance costs of \$1 million. Net cash provided by financing activities for three months ended March 31, 2019 was primarily attributable to borrowings under our revolving credit facility of \$82 million, which was partially offset by \$6 million in dividends paid.

### ***Effect of Foreign Exchange Rate on Cash***

The effect of foreign exchange rate on cash was (\$0.2) million and \$0.03 million, respectively, for the three months ended March 31, 2020 and 2019. The change was driven primarily by a favorable (unfavorable) shift in the weakness (strength) of the Canadian dollar relative to the U.S. dollar for the cash held in Canadian accounts.

### ***Working Capital***

Our working capital totaled \$298 million and \$277 million, respectively, at March 31, 2020 and December 31, 2019. Our cash balances were \$13 million and \$6 million, respectively, at March 31, 2020 and December 31, 2019.

### ***Our Revolving Credit Facility***

On October 19, 2018, we and certain of our direct and indirect subsidiaries, as borrowers, entered into an amended and restated revolving credit facility with the lenders party thereto and PNC Bank, National Association, as a lender and as administrative agent for the lenders, which among other things, (i) extended the maturity date to October 19, 2023, (ii) increased the maximum revolving advance amount to \$185 million, with the ability to further increase the maximum revolving advance amount to \$350 million under certain circumstances, (iii) increased the letter of credit sublimit to 20% of the maximum revolving advance amount and (iv) decreased the interest rates applicable to loans. On November 5, 2019, we entered into a first amendment to our amended and restated revolving credit facility, to amend the interest coverage ratio definition to give accrual treatment to certain cash taxes included in the ratio calculation. As a result, certain cash tax payments that were made in 2019 were treated as if they were made in 2018, the year in which the income related to such tax payments was actually received. On February 26, 2020, we further amended our revolving credit facility to, among other things, (i) amend our financial covenants, as outlined below, (ii) decrease the maximum revolving advance amount from \$185 million to \$130 million, (iii) decrease the amount that the maximum revolving advance can be increased to (the accordion) from \$350 million to \$180 million, (iv) increase the applicable margin ranges from 2.00% to 2.50% per annum in the case of the alternate base rate and from 3.00% to 3.50% per annum in the case of LIBOR, (v) increase the aggregate amount of permitted asset dispositions, and (vi) permit certain sale-leaseback transactions.

The financial covenants under our revolving credit facility were amended as follows:

- the minimum interest coverage ratio of 3.0 to 1.0 was eliminated;
- the maximum leverage coverage ratio of 4.0 to 1.0 was eliminated for the first two fiscal quarters of 2020 and, beginning with the fiscal quarter ended September 30, 2020, changed to 2.5 to 1.0;
- beginning with the fiscal quarter ended September 30, 2020, a minimum fixed charge coverage ratio of at least 1.1 to 1.0 was added; and
- from the effective date of February 26, 2020 through September 30, 2020, a minimum excess availability covenant of 10% of the maximum revolving advance amount was added.

As of March 31, 2020 and December 31, 2019, we were in compliance with the covenants under our revolving credit facility. We cannot assure you that we will be able to remain in compliance with the covenants contained in our revolving credit facility as amended and restated. If an event of default occurs under our revolving credit facility and remains uncured, it could have a material adverse effect on our business, financial condition, results of operations and cash flows. The lenders (i) would not be required to lend any additional amounts to us, (ii) could elect to increase our interest rate by 200 basis points, (iii) could elect to declare all outstanding borrowings, together with accrued and unpaid interest and fees, to be due and payable, (iv) may have the ability to require us to apply all of our available cash to repay our outstanding borrowings, and (v) may foreclose on substantially all of our assets.

At March 31, 2020, we had outstanding borrowings under our revolving credit facility of \$88 million and \$19 million of available borrowing capacity under this facility. This available borrowing capacity reflects (i) a minimum excess availability covenant of 10% of the maximum revolving advance amount and (ii) \$9 million of outstanding letters of credit.

### ***Capital Requirements and Sources of Liquidity***

During 2020, we estimate that our aggregate capital expenditures will be up to \$20 million, depending upon industry conditions and our financial results. These capital expenditures include \$8 million in our infrastructure segment for assets for additional crews, \$8 million in our pressure pumping segment for conversion of a portion of our fleet to include dynamic gas blending capabilities, maintenance to our existing pressure pumping fleet and additional water transfer equipment and \$4 million for our other divisions, primarily for additional equipment for our rental business. However, if industry conditions

remain the same or weaken further, we expect that our capital expenditures for 2020 will be materially less. During the three months ended March 31, 2020, our capital expenditures totaled \$2 million.

We believe that our cash on hand, operating cash flow and available borrowings under our credit facility will be sufficient to fund our operations for at least the next twelve months. However, future cash flows are subject to a number of variables (including receipt of payments from our customers, including PREPA and Gulfport). Further, significant additional capital expenditures could be required to conduct our operations. Accordingly, there can be no assurance that operations and other capital resources, including potential sales of assets or businesses, will provide cash in sufficient amounts to meet our operating needs and/or maintain planned or future levels of capital expenditures. In addition, while we regularly evaluate acquisition opportunities, we do not have a specific acquisition budget for 2020 since the timing and size of acquisitions cannot be accurately forecasted. We continue to evaluate acquisition opportunities, including transactions involving entities controlled by Wexford. Our acquisitions may be undertaken with cash, our common stock or a combination of cash, common stock and/or other consideration. In the event we make one or more acquisitions and the amount of capital required is greater than the amount we have available for acquisitions at that time, we could be required to reduce the expected level of capital expenditures and/or seek additional capital. If we seek additional capital for that or other reasons, we may do so through borrowings under our revolving credit facility, joint venture partnerships, sale-leaseback transactions, asset sales, offerings of debt or equity securities or other means. We cannot assure you that this additional capital will be available on acceptable terms or at all. If we are unable to obtain funds we need, our ability to conduct operations, make capital expenditures and/or complete acquisitions that may be favorable to us will be impaired.

#### Off-Balance Sheet Arrangements

##### *Minimum Purchase Commitments*

We have entered into agreements with suppliers that contain minimum purchase obligations. Our failure to purchase the minimum amounts may require us to pay shortfall fees. However, the minimum quantities set forth in the agreements are not in excess of our currently expected future requirements.

##### *Capital Spend Commitments*

We have entered into agreements with suppliers to purchase capital equipment.

Aggregate future minimum lease payments under these agreements in effect at March 31, 2020 are as follows (in thousands):

<b>Year ended December 31:</b>	<b>Capital Spend Commitments</b>	<b>Minimum Purchase Commitments<sup>(a)</sup></b>
Remainder of 2020	\$ 3,766	\$ 15,834
2021	—	700
2022	—	129
2023	—	8
2024	—	—
Thereafter	—	—
	<u>\$ 3,766</u>	<u>\$ 16,671</u>

a. Included in these amounts are sand purchase commitments of \$14 million. Pricing for certain sand purchase agreements is variable and, therefore, the total sand purchase commitments could be as much as \$16 million.

#### New Accounting Pronouncements

In June 2016, the Financial Accounting Standards Board issued Accounting Standards Update (“ASU”) No. 2016-13, “Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments,” which amends current guidance on reporting credit losses on financial instruments. This ASU requires entities to reflect its current estimate of all expected credit losses. The guidance affects most financial assets, including trade accounts receivable. This ASU is effective for fiscal years beginning after December 31, 2019, with early adoption permitted. We adopted this standard effective January 1, 2020. It did not have a material impact on our consolidated financial statements.

### **Item 3. Quantitative and Qualitative Disclosures About Market Risk**

The demand, pricing and terms for our products and services are largely dependent upon the level of activity for the U.S. oil and natural gas industry, energy infrastructure industry and natural sand proppant industry. Industry conditions are influenced by numerous factors over which we have no control, including, but not limited to: the supply of and demand for oil and natural gas services, energy infrastructure services and natural sand proppant; demand for repair and construction of transmission lines, substations and distribution networks in the energy infrastructure industry and the level of expenditures of utility companies; the level of prices of, and expectations about future prices for, oil and natural gas and natural sand proppant, as well as energy infrastructure services; the cost of exploring for, developing, producing and delivering oil and natural gas; the expected rates of declining current production; the discovery rates of new oil and natural gas reserves and frac sand reserves meeting industry specifications and consisting of the mesh size in demand; access to pipeline, transloading and other transportation facilities and their capacity; weather conditions; domestic and worldwide economic conditions; political instability in oil-producing countries; environmental regulations; technical advances affecting energy consumption; the price and availability of alternative fuels; the ability of oil and natural gas producers and other users of our services to raise equity capital and debt financing; and merger and divestiture activity in industries in which we operate.

Oil prices have declined sharply since early March 2020 and are expected to continue to be volatile as a result of the current levels of hydrocarbon production, sharp decline in demand due to the ongoing COVID-19 pandemic, oversupply of crude oil and limited pipeline and storage capacity, among other factors. As a result, demand for our oilfield services, which was already under considerable pressure from reductions in our customers' capital expenditure budgets in 2019, declined further at the end of the first quarter of 2020. Depressed levels of oilfield service activity are expected to continue for the foreseeable future. All of this has had, and will continue to have, an adverse effect on our business, financial condition, results of operations and cash flows. We cannot predict if, or when, commodity prices will improve and stabilize. The COVID-19 pandemic, the broad reduction in economic activity, the current conditions in the energy industry and the adverse macroeconomic conditions have also had an adverse effect on pricing for our oilfield services.

The levels of activity in the U.S. oil and natural gas exploration and production, energy infrastructure and natural sand proppant industries have been and continue to be volatile. We are unable to predict the ultimate impact of the COVID-19 pandemic, the depressed commodity markets and adverse macroeconomic conditions on our business, financial condition, results of operations, cash flows and stock price.

#### **Interest Rate Risk**

We had a cash and cash equivalents balance of \$13 million at March 31, 2020. We do not enter into investments for trading or speculative purposes. We do not believe that we have any material exposure to changes in the fair value of these investments as a result of changes in interest rates. Declines in interest rates, however, will reduce future income.

Interest under our credit facility is payable at a base rate plus an applicable margin. Additionally, at our request, outstanding balances are permitted to be converted to LIBOR rate plus applicable margin tranches. The applicable margin for either the base rate or the LIBOR rate option can vary from 2.0% to 3.5%, based upon a calculation of the excess availability of the line as a percentage of the maximum credit limit. At March 31, 2020, we had outstanding borrowings under our revolving credit facility of \$88 million with a weighted average interest rate of 4.5%. A 1% increase or decrease in the interest rate at that time would have increased or decreased our interest expense by approximately \$1 million per year. We do not currently hedge our interest rate exposure.

#### **Foreign Currency Risk**

Our remote accommodation business, which is included in our other services division, generates revenue and incurs expenses that are denominated in the Canadian dollar. These transactions could be materially affected by currency fluctuations. Changes in currency exchange rates could adversely affect our consolidated results of operations or financial position. We also maintain cash balances denominated in the Canadian dollar. At March 31, 2020, we had \$2 million of cash, in Canadian dollars, in Canadian accounts. A 10% increase in the strength of the Canadian dollar versus the U.S. dollar would have resulted in an increase in pre-tax income of approximately \$0.1 million as of March 31, 2020. Conversely, a corresponding decrease in the strength of the Canadian dollar would have resulted in a comparable decrease in pre-tax income. We have not hedged our exposure to changes in foreign currency exchange rates and, as a result, could incur unanticipated translation gains and losses.

## Customer Credit Risk

We are also subject to credit risk due to concentration of our receivables from several significant customers. We generally do not require our customers to post collateral. The inability or failure of our customers to meet their obligations to us or their insolvency or liquidation may adversely affect our business, financial condition, results of operations and cash flows. This risk may be further enhanced by the ongoing COVID-19 pandemic, the depressed commodity price environment and adverse macroeconomic conditions. See Note 2. Basis of Presentation and Significant Accounting Policies—Accounts Receivable and —Concentrations of Credit Risk and Significant Customers and Note 18. Commitments and Contingencies—Litigation of our unaudited condensed consolidated financial statements.

## Seasonality

We provide completion and production services as well as contract land and drilling services primarily in the Utica, Permian Basin, Eagle Ford, Marcellus, Granite Wash, Cana Woodford and Cleveland sand resource plays located in the continental U.S. We provide infrastructure services primarily in the northeast, southwest and midwest portions of the United States. We provide remote accommodation services in the oil sands in Alberta, Canada. We serve these markets through our facilities and service centers that are strategically located to serve our customers in Ohio, Texas, Oklahoma, Wisconsin, Minnesota, Kentucky and Alberta, Canada. A portion of our revenues are generated in Ohio, Wisconsin, Minnesota, North Dakota, Pennsylvania, West Virginia and Canada where weather conditions may be severe. As a result, our operations may be limited or disrupted, particularly during winter and spring months, in these geographic regions, which would have a material adverse effect on our financial condition and results of operations. Our operations in Oklahoma and Texas are generally not affected by seasonal weather conditions.

## Item 4. Controls and Procedures

### Evaluation of Disclosure Control and Procedures

Under the direction of our Chief Executive Officer and Chief Financial Officer, we have established disclosure controls and procedures, as defined in Rule 13a-15(e) and d under the Exchange Act, that are designed to ensure that information required to be disclosed by us in the reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms. The disclosure controls and procedures are also intended to ensure that such information is accumulated and communicated to management, including our Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosures. In designing and evaluating the disclosure controls and procedures, management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives. In addition, the design of disclosure controls and procedures must reflect the fact that there are resource constraints and that management is required to apply judgment in evaluating the benefits of possible controls and procedures relative to their costs.

As of March 31, 2020, an evaluation was performed under the supervision and with the participation of management, including our Chief Executive Officer and Chief Financial Officer, of the effectiveness of the design and operation of our disclosure controls and procedures pursuant to Rule 13a-15(b) under the Exchange Act. Based upon our evaluation, our Chief Executive Officer and Chief Financial Officer have concluded that as of March 31, 2020, our disclosure controls and procedures are effective.

### *Changes in Internal Control Over Financial Reporting*

There was no change in our internal control over financial reporting (as defined in Rules 13a-15(d) and 15d-15(d) under the Exchange Act) that occurred during the quarter ended March 31, 2020 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

## PART II. OTHER INFORMATION

### Item 1. Legal Proceedings

Due to the nature of our business, we are, from time to time, involved in litigation or subject to disputes or claims related to our business activities, including breaches of contractual obligations, workers' compensation claims and employment related disputes. In the opinion of our management, none of the pending litigation, disputes or claims against us is expected to have a material adverse effect on our financial condition, cash flows or results of operations, except as disclosed in Note 18 "Commitments and Contingencies," of the Notes to Unaudited Condensed Consolidated Financial Statements.

### Item 1A. Risk Factors

Security holders and potential investors in our securities should carefully consider the risk factors in our Annual Report on Form 10-K (Commission File No. 001-37917) filed with the SEC on March 2, 2020.

Other than set forth below, there have been no material changes to the Risk Factors previously disclosed in our Annual Report on Form 10-K for the year ended December 31, 2019.

***Our business and operations have been and will likely continue to be adversely affected by the COVID-19 pandemic.***

The COVID-19 pandemic has caused, and is continuing to cause, severe disruptions in the worldwide and U.S. economy, including the global and domestic demand for oil and natural gas, which has had and is expected to continue to have an adverse effect primarily on our oilfield services business and, as a result, our financial condition, results of operations, cash flows and stock price. Moreover, the COVID-19 pandemic has caused significant disruption in the financial markets both globally and in the United States. The continued spread of COVID-19 could also negatively impact the availability of key personnel necessary to conduct our business. If COVID-19 continues to spread or the response to contain the COVID-19 pandemic is unsuccessful, we could continue to experience a material adverse effect on our business, financial condition, results of operations, cash flows and stock price.

***The sharp decline in oil prices and continued volatility in the oil and natural gas markets have negatively impacted, and are likely to continue to negatively impact, our oilfield services and, as a result, our business, financial condition, results of operations, cash flows and stock price.***

In early March 2020, oil prices dropped sharply and then continued to decline reaching levels below zero dollars per barrel. This was a result of multiple factors affecting global oil and natural gas markets, including the announcement of price reductions and production increases by OPEC members and other oil exporting nations and the ongoing COVID-19 pandemic. Commodity prices are expected to continue to be volatile as a result of production levels, inventories and demand, and national and international economic performance. Other significant factors that are likely to continue to affect commodity prices in current and future periods include, but are not limited to, the effect of U.S. energy, monetary and trade policies, U.S. and global political developments, including the outcome of the U.S. presidential election and resulting energy and environmental policies, the impact and duration of the ongoing COVID-19 pandemic and conditions in the U.S. oil and gas industry.

The price of oil, natural gas and natural gas liquids, as well as the ongoing COVID-19 pandemic and adverse macroeconomic conditions, have had an adverse impact on the level of drilling and exploration and production activity of our customers and, as a result, on demand for and pricing of our oilfield services. These factors have had and are likely to continue to have an adverse effect on our business, financial condition, results of operations, cash flows and stock price.

***If the bid price for our common stock does not improve and we are unable to regain compliance with the minimum bid price and market value of our common stock required by the Nasdaq Global Select Market to maintain continued listing of our common stock within the time frames allowed by Nasdaq, our common stock may be delisted, which will adversely impact trading in and liquidity of our common stock.***

On April 17, 2020, we received notice from The Nasdaq Stock Market LLC, or Nasdaq, indicating that, for the last thirty consecutive business days, the bid price for our common stock had closed below the minimum \$1.00 per share requirement for continued listing on the Nasdaq Global Select Market under Nasdaq Listing Rule 5450(a)(1). In accordance with Nasdaq Listing Rule 5810(c)(3)(A), we were provided a period of 180 calendar days in which to regain compliance.

However, the notice stated that, on April 16, 2020, Nasdaq filed an immediately effective rule change with the SEC to toll the compliance periods for the bid price and market value of publicly held shares requirements, which are collectively

referred to as the price-based requirements, through June 30, 2020 due to the recent unprecedented turmoil in U.S. and world financial markets. The compliance periods for the price-based requirements will be reinstated on July 1, 2020. As a result, we will have 180 calendar days from July 1, 2020, or until December 28, 2020, to regain compliance.

The Nasdaq notice stated that, if at any time during the tolling period or 180-day compliance period, the closing bid price of our security is at least \$1.00 for a minimum of ten consecutive business days, Nasdaq will provide us written confirmation of compliance. If we do not regain compliance with Nasdaq Listing Rule 5450(a)(1) by December 28, 2020, we may be eligible for an additional 180 calendar day compliance period. To qualify, we would be required to meet the continued listing requirement for market value of publicly held shares and all other initial listing standards, with the exception of the bid price requirement, and would need to provide written notice of our intention to cure the deficiency during the second compliance period by effecting a reverse stock split, if necessary. Should the Nasdaq staff conclude during its review process that we will not be able to cure the deficiency, or if we are otherwise not eligible, Nasdaq will provide notice that our shares will be subject to delisting, at which time we may appeal the delisting determination. There can be no assurance the Nasdaq staff would grant any request for continued listing.

The Nasdaq notice has no immediate effect on the listing or trading of our common stock. We intend to monitor the bid price of our common stock and consider available options if our common stock does not trade at a level likely to result our regaining compliance with Nasdaq's minimum bid price rule by December 28, 2020. There can be no assurance that we will be able to regain compliance with Nasdaq's minimum bid price rule or maintain compliance with other listing requirements.

## **Item 2. Unregistered Sales of Equity Securities and Use of Proceeds**

Not applicable.

## **Item 4. Mine Safety Disclosures**

Our operations are subject to the Federal Mine Safety and Health Act of 1977, as amended by the Mine Improvement and New Emergency Response Act of 2006, which imposes stringent health and safety standards on numerous aspects of mineral extraction and processing operations, including the training of personnel, operating procedures, operating equipment and other matters. Our failure to comply with such standards, or changes in such standards or the interpretation or enforcement thereof, could have a material adverse effect on our business and financial condition or otherwise impose significant restrictions on our ability to conduct mineral extraction and processing operations. Following passage of The Mine Improvement and New Emergency Response Act of 2006, MSHA significantly increased the numbers of citations and orders charged against mining operations. The dollar penalties assessed for citations issued has also increased in recent years. Information concerning mine safety violations or other regulatory matters required by Section 1503(a) of the Dodd-Frank Wall Street Reform and Consumer Protection Act and Item 104 of Regulation S-K (17 CFR 229.104) is included in Exhibit 95.1 to this Report.

## **Item 5. Other Information**

Not applicable.

## Item 6. Exhibits

The following exhibits are filed as a part of this report:

Exhibit Number	Exhibit Description	Incorporated By Reference				Filed Herewith	Furnished Herewith
		Form	Commission File No.	Filing Date	Exhibit No.		
<a href="#">3.1</a>	<a href="#">Amended and Restated Certificate of Incorporation of the Company</a>	8-K	001-37917	11/15/2016	3.1		
<a href="#">3.2</a>	<a href="#">Amended and Restated Bylaws of the Company</a>	8-K	001-37917	11/15/2016	3.2		
<a href="#">4.1</a>	<a href="#">Specimen Certificate for shares of common stock, par value \$0.01 per share, of the Company</a>	S-1/A	333-213504	10/3/2016	4.1		
<a href="#">4.2</a>	<a href="#">Description of Securities of the Company.</a>	10-K	001-37917	3/2/2020	4.1		
<a href="#">4.3</a>	<a href="#">Registration Rights Agreement, dated October 12, 2016, by and between the Company and Mammoth Energy Holdings, LLC</a>	8-K	001-37917	11/15/2016	4.1		
<a href="#">4.4</a>	<a href="#">Investor Rights Agreement, dated October 12, 2016, by and between the Company and Gulfport Energy Corporation</a>	8-K	001-37917	11/15/2016	4.2		
<a href="#">31.1</a>	<a href="#">Certification of Chief Executive Officer pursuant to Rule 13(a)-14 and 15(d)-14 under the Securities Exchange Act of 1934.</a>						X
<a href="#">31.2</a>	<a href="#">Certification of Chief Financial Officer pursuant to Rule 13(a)-14 and 15(d)-14 under the Securities Exchange Act of 1934.</a>						X
<a href="#">32.1</a>	<a href="#">Certification of Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.</a>						X
<a href="#">32.2</a>	<a href="#">Certification of Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.</a>						X
<a href="#">10.1</a>	<a href="#">N745BW Helicopter Lease Agreement, dated January 10, 2020 by and between Cobra Aviation Services LLC and Brim Equipment Leasing LLC.</a>						X
<a href="#">10.2</a>	<a href="#">N745MB Helicopter Lease Agreement, dated January 10, 2020 by and between Cobra Aviation Services LLC and Brim Equipment Leasing LLC.</a>						X
<a href="#">10.3</a>	<a href="#">N810LA Helicopter Lease Agreement, dated January 10, 2020 by and between Cobra Aviation Services LLC and Brim Equipment Leasing LLC.</a>						X
<a href="#">10.4</a>	<a href="#">N902TX Helicopter Lease Agreement, dated January 10, 2020 by and between Air Rescue Systems Corporation and Brim Equipment Leasing LLC.</a>						X
<a href="#">10.5</a>	<a href="#">N904AF Helicopter Lease Agreement, dated January 10, 2020 by and between Leonard Aviation LLC and Brim Equipment Leasing LLC.</a>						X
<a href="#">95.1</a>	<a href="#">Mine Safety Disclosure Exhibit</a>						X
101.1	Interactive data files pursuant to Rule 405 of Regulation S-T.						

**Signatures**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Date:	May 11, 2020	By:	<b>MAMMOTH ENERGY SERVICES, INC.</b> <u>/s/ Arty Strachla</u> Arty Strachla <i>Chief Executive Officer</i>
Date:	May 11, 2020	By:	<u>/s/ Mark Layton</u> Mark Layton <i>Chief Financial Officer</i>

### N745BW Helicopter Lease Agreement

This Helicopter Lease Agreement (this “**Agreement**”) is made this January 10, 2020 and effective January 1, 2020 (the “**Effective Date**”), by and between Cobra Aviation Services LLC, a Delaware limited liability company (“**Lessor**”) and Brim Equipment Leasing LLC, an Oregon limited liability company (“**Lessee**”). Each of Lessor and Lessee is sometimes hereinafter referred to as a “**Party**” and collectively as the “**Parties**” as the context requires.

WHEREAS, Lessor owns that certain MCDONNELL DOUGLAS HELICOPTER model 600N helicopter, bearing United States Registration Number N745BW, manufacturer’s serial number RN045, with one ROLLS ROYCE (formerly Allison) model 250-C47M engine bearing manufacturer’s serial number CAE-847831 (described on the International Registry Manufactures’ List as model 250-C47, serial number 847831), and any appliances, components, parts, instruments, appurtenances, accessories, furnishings or other equipment of whatever nature (other than the engine or complete engines) which may from time to time be incorporated or installed in or attached to the airframe or any engine and includes replacement thereof (the “**Helicopter**”); and

WHEREAS, Lessor desires to lease the Helicopter to Lessee and Lessee desires to lease the Helicopter from Lessor.

NOW THEREFORE, in consideration of the mutual covenants and promises hereinafter set forth, the Parties agree as follow:

1. Grant of Lease; Term. Subject to the terms and conditions set forth herein, Lessor hereby leases the Helicopter to Lessee and Lessee hereby leases the Helicopter from Lessor. The term of this Agreement shall begin on the date hereof and shall continue in effect for five (5) years, unless earlier terminated as provided herein. Each of Lessor and Lessee shall have the right to terminate this Agreement upon one hundred twenty (120) days’ written notice to the other Party for any or no reason, provided, however, that in the event the Helicopter has been committed to providing service for any customer of Lessee or any other third party, any notice of termination by Lessor with respect to such Helicopter shall not take effect until the termination of such commitment. This Agreement may also be terminated for cause in the case of an uncured Event of Default as described in Section 10 below, and shall terminate immediately and automatically without notice from either Party upon Lessee’s suspension, revocation or surrender of any of its Part 133, 135, or 137 Certificates.

2. Delivery Condition; Acceptance; Valuation. Lessee and Lessor acknowledge and agree that the Helicopter has been delivered to Lessee in an Airworthy Condition, with a current “Annual Inspection” and “100 Hour Inspection.” Lessor and Lessee further acknowledge and agree as to the Summary of MD 600 Component Information (the “**Component Summary**”) set forth in Exhibit A attached hereto, and to the total valuation of those certain key components of the Helicopter described in the Component Summary at the time of delivery as set forth in such Exhibit A (the “**Delivery Component Value**”). In further evidence of support, the maintenance records underpinning the Delivery Component Value is set forth in Exhibit E attached hereto.

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3. Use. Lessee shall use the Helicopter in a safe and appropriate manner and shall comply with and conform to all national, state, municipal, and other laws, ordinances and regulations in any way relating to the possession, use or maintenance of the Helicopter.

4. Maintenance and Repair. Lessee shall, at its own cost and expense, repair and maintain the Helicopter so as to keep it in good working order and operating condition during the term of this Agreement, including paying for: (i) any and all pre-flight and post-flight inspections and/or recurring inspections and scheduled and/or non-scheduled maintenance, and (ii) all inspections and other maintenance necessary for the Helicopter's operation under 14 CFR Parts 91, 133, 135, and 137. Except as otherwise provided below in this Section 4, Lessee shall be responsible for any damage or repair to the Helicopter which is caused or made necessary during the term of this Agreement while the Helicopter is under Lessee's, or its employees', agents', or representatives' control. However, notwithstanding the foregoing provisions of this Section 4, Lessor shall be responsible for the cost of parts and labor to comply with non-recurring mandatory Airworthiness Directives and Service Bulletins.

5. Rental Rate. Lessee shall pay to Lessor the Aircraft Rental Rate set forth on Exhibit B attached hereto (the "Aircraft Rental Rate"). Within 20 days after the end of each month during the term of this Agreement, Lessee shall deliver to Lessor: (a) a reasonably detailed accounting statement (each, a "Monthly Statement") setting forth the amounts payable during the previous month pursuant to this Agreement; and (b) the amount, if any, payable as set forth on such Monthly Statement. Within 10 days after Lessor's receipt of any Monthly Statement showing an amount payable, Lessee shall remit such payment to Lessor.

It is understood by the Parties hereto that Lessee shall make every reasonable commercial effort to make timely payments to Lessor, and that the foregoing payment terms are not a waiver of Lessor's right to ultimately receive payment from Lessee for work properly performed under this Agreement. Lessee will not be considered in default under this Agreement if it is in compliance with any of the payment terms set forth in this paragraph.

If full payment of an overdue amount is not made by Lessee to Lessor within thirty (30) days after Lessor's receipt of any Monthly Statement, Lessor shall have the right at that time to terminate this Agreement, and Lessee will then be required to make arrangements for, and pay the cost of, return of the Helicopter to Lessor. Nothing in the foregoing sentence shall be construed as a waiver of Lessee's obligation to pay the Aircraft Rental Rate.

6. Responsibilities and Fees.

- (a) Lessor shall be responsible only for the following expenses related to the use of the Helicopter:
  - (i) Payment of all debt service, license and federal, state and local registration fees;
  - (ii) Any applicable property taxes due for the ownership and operation of the Helicopter; and



payee on the hull coverage. Lessee shall also provide Lessor with a certificate evidencing such insurance.

9. Mutual Indemnity. Each Party hereto (the "Indemnifying Party") will indemnify, defend and hold harmless the other Party hereto (the "Indemnified Party") and its affiliate companies, and its and their respective directors, officers, employees, agents, successors and assigns, from and against any and all third party claims, liabilities, obligations, costs, expenses and reasonable attorneys' fees (collectively, "Damages") arising out of or related to (a) the Indemnifying Party's actual or alleged breach of this Agreement (including, without limitation, any warranty, representation or obligation herein), and/or (b) any act, omission, conduct or negligence in connection with the Indemnifying Party's performance hereunder. This Section 9 will survive expiration or termination of this Agreement for any reason.

10. Default and Remedies. It shall be an Event of Default if Lessee or Lessor fails to observe, keep or perform any material provision of this Agreement required to be observed.

Upon the occurrence of an Event of Default by Lessor which is not cured within ten (10) days of receipt of written notice of the occurrence from Lessee, Lessee shall, as its sole and exclusive remedy, have the right to terminate this Agreement.

Upon the occurrence of an Event of Default by Lessee which is not cured within ten (10) days of receipt of written notice of the occurrence from Lessor, Lessor shall as its sole and exclusive remedy, have the right to exercise any one or more of the following remedies:

- (a) take possession of the Helicopter, without demand or notice, wherever it may be located, without court order or other process of law; and
- (b) terminate this Agreement;

Nothing in the foregoing clause shall be construed to relieve Lessee of its obligations to pay all amounts due under the Aircraft Rental Rate.

11. Ownership and Rights. The Helicopter is, and shall at all times be and remain, the sole and exclusive property of Lessor. Lessee shall have no right, title or interest therein or thereto except as expressly set forth in this Agreement.

12. Notices. Any notice required or permitted under this Agreement shall be given in writing and shall be effective for all purposes if hand-delivered to the Party designated below or if sent by (a) certified or registered United States mail, postage prepaid, (b) by expedited delivery service, either commercial or United States Postal Service, with proof of delivery, or (c) by facsimile (provided that such facsimile is confirmed by expedited delivery service or by mail in the manner previously described), addressed as follows:

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If to Lessee: Brim Equipment Leasing LLC  
Attention: Julie Brim, President  
Physical Address: 445 Dead Indian Memorial Rd,  
Ashland, OR 97520  
Mailing Address: PO Box 3009, Ashland, OR  
97520  
Email: Julie@brimaviation.com

with a copy to Wexford Capital LP  
411 West Putman Ave.  
Greenwich, CT 06830  
Attn: Legal  
Email: legal@wexford.com

If to Lessor: Cobra Aviation Services LLC  
Mark Layton  
Chief Financial Officer  
14201 Caliber Drive, Suite 300  
Oklahoma City, OK 73134  
Phone: 405.563.9961  
Email: mlayton@mammothenergy.com

With a copy to: J. Matthew Thompson  
Senior Counsel  
14201 Caliber Drive, Suite 300  
Oklahoma City, OK 73134  
Phone: 405.286.2077  
Email: [matt.thompson@mammothenergy.com](mailto:matt.thompson@mammothenergy.com)

With a copy to: McAfee & Taft A Professional Corporation  
Scott D. McCreary / John R. Chubbuck  
10th Floor, Two Leadership Square  
211 N Robinson  
Oklahoma City OK 73102-7103  
Phone: 405.235.9621  
Email: Scott.mccreary@mcafeetaft.com  
Email: john.chubbuck@mcafeetaft.com

or to such other address and person as shall be designated from time to time by Lessee or Lessor, as the case may be, in a written notice to the other in the manner provided for in this Section 12. The notice shall be deemed to have been given at the time of delivery if hand-delivered, or on the next business day after transmission if sent by confirmed facsimile, or in the case of registered or certified mail, on the third business day after deposit in the United States mail, or if by expedited delivery, upon the first attempted delivery on a business day. A Party receiving notice which does not comply with the technical requirements for notice under this Section 12 may elect to waive any deficiencies and treat the notice as having been properly given.



13. Representations and Warranties of Lessee. Lessee represents and warrants as of the date hereof and during the entire term of this Agreement as follows:

(a) Lessee is a validly organized limited liability company under the laws of the State of Oregon, and the person executing on behalf of Lessee has full power and authority to execute this Agreement on behalf of Lessee and by such execution shall bind Lessee under this Agreement.

(b) No action, suit, or proceeding is currently pending or threatened against Lessee which shall in any material way affect Lessee's financial status as of the date thereof, or impair the execution, delivery, or performance by Lessee of this Agreement.

(c) The execution and delivery of this Agreement by Lessee and the performance of its obligations hereunder have been duly authorized by all necessary corporate or limited liability company action, and do not conflict with any provision of Lessee's articles of organization, bylaws, operating agreement, any governmental regulations, or any other agreements that Lessee may now have with other parties.

(d) Lessee is not subject to any restriction, which with or without the giving of notice, the passage of time, or both, prohibits or would be violated by or be in conflict with this Agreement.

(e) Lessee will not permit the Helicopter to be operated in any unsafe manner or contrary to any manual or instructions for the Helicopter or in material violation of the terms or conditions of any insurance policy covering the Helicopter or any applicable statute, regulation, ordinance, or other law.

14. Representations and Warranties of Lessor. Lessor represents and warrants as of the date hereof and during the entire term of this Agreement as follows:

(a) Lessor is a validly organized limited liability company under the laws of the State of Delaware, and has full power and authority to execute this Agreement on behalf of Lessor and by such execution shall bind Lessor under this Agreement.

(b) No action, suit, or proceeding is currently pending or threatened against Lessor which shall in any material way affect Lessor's financial status as of the date thereof, or impair the execution, delivery, or performance by Lessor of this Agreement.

(c) The execution and delivery of this Agreement by Lessor and the performance of its obligations hereunder have been duly authorized by all necessary corporate or limited liability company action, and do not conflict with any provision of Lessor's articles of organization, bylaws, operating agreement, any governmental regulations, or any other agreements that Lessee may now have with other parties.

(d) Lessor is not subject to any restriction, which with or without the giving of notice, the passage of time, or both, prohibits or would be violated by or be in conflict with this Agreement.

11/15/2017 10:00 AM



15. Assignment. Lessee shall not assign this Agreement or its interest in the Helicopter without prior written consent of Lessor. Any such attempted assignment shall be null and void.

16. Force Majeure. Non-performance of either Party shall be excused to the extent that performance is rendered impossible by acts of God, public enemies, war, civil disorder, labor disputes or strikes, fire, flood, explosion, governmental acts, orders or restrictions, or any other reason where failure to perform is beyond the control and not caused by the negligence of the non-conforming Party.

17. Waiver. In no event shall any Party be liable for any claimed indirect, special, incidental, consequential or punitive damages, or for any damages consisting of damages for loss of use, revenue, profit, business opportunities and the like, even if the Party had been advised of, or knew or should have known of, the possibility of such damages.

18. Governing Law. This Agreement has been delivered in the State of Delaware and shall in all respects be governed by, and construed in accordance with, the laws of the State of Delaware including all matters of construction, validity and performance, without giving effect to its conflict of laws provisions.

19. Jurisdiction and Venue. Exclusive jurisdiction and venue over any and all disputes between the Parties arising under this Agreement shall be in, and for such purpose each party hereby submits to the jurisdiction of, the state and federal courts serving the State of Oregon.

20. Severability. If any provision of this Agreement is or becomes illegal, invalid or void under any applicable state or federal law under which performance hereunder is required, such provision will be considered severable, and the remaining provisions hereof will not be impaired, and this Agreement will be interpreted as far as possible so as to give effect to its stated purpose.

21. Execution. This Agreement may be executed in counterparts, each of which will be considered an original and all of which together will constitute one and the same agreement. Facsimile or other electronically transmitted signatures of this Agreement will constitute original signatures. At the request of any Party, the Parties will confirm facsimile or other electronically transmitted signatures by signing an original document.

22. Further Assurances. Each Party agrees to execute and deliver such other documents and to do and perform such other acts and things as the other Party may reasonably request to carry out the intent and accomplish the purposes of this Agreement.

23. Exhibits. The Exhibits referenced in this Agreement are part of this Agreement as if fully set forth in this Agreement.

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IN WITNESS WHEREOF, the Parties hereto have executed this Agreement as of the day and year first above written.

LESSOR:



Cobra Aviation Services LLC

By:

ARTY STRAHLER

Title:

CEO

LESSEE:



Brim Equipment Leasing LLC

By:

JULIE BRIM

Title:

PRESIDENT







**Exhibit B Aircraft  
Rental Amount**

**Aircraft Rental Rate: \$90 per each flight hour**

In determining the monthly Aircraft Rental Rate for the Helicopter, flight hours will be determined based on monthly average flight hours of all MD 600 aircraft (including the Helicopter) which are owned or leased in any particular month by Lessee (prorated for partial month ownership/leasing), and not on actual flight hours of solely the Helicopter.

For illustrative purposes only, the following examples are included:

Example 1: In a particular month, Lessee owns or leases a total of four MD 600 aircraft, including the Helicopter.

*The actual usage of each aircraft is as follows:*

*Helicopter = 50 flight hours  
Aircraft No. 2 = 100 flight hours  
Aircraft No. 3 = 90 flight hours  
Aircraft No. 4 = 0 flight hours*

*Average flight hour utilization per aircraft =  $(50 + 100 + 90 + 0) / 4 = 240 / 4 = 60$  flight hours*

***The Aircraft Rental Rate for the Helicopter for such month = 60 hours x \$90 = \$5,400***

Example 2: In a particular month, Lessee owns or leases a total of four MD 600 aircraft, including the Helicopter.

*The actual usage of each aircraft is as follows:*

*Helicopter = 0 flight hours  
Aircraft No. 2 = 100 flight hours  
Aircraft No. 3 = 100 flight hours  
Aircraft No. 4 = 0 flight hours*

*Average flight hour utilization per aircraft =  $(0 + 100 + 100 + 0) / 4 = 200 / 4 = 50$  flight hours*

***The Aircraft Rental Rate for the Helicopter for such month = 50 hours x \$90 = \$4,500***

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Exhibit D  
Illustrative Example of Surrender Calculations – Lessor Pays Lessee Key Component Value Difference

Summary of MD 800 Component Information											Delivery Component Value			Surrender Component Value			Payment At End of Lease (3, 4)		
Description	Term	Component Life		Cost		Key Component Value (2)			Key Component Value (2)			Cobra Payments	Brim Payments	Net Cobra (Brim)					
		Years	Hours	Total (1)	\$ / Day	\$ / Hour	Days	Hours	Total	Days	Hours				Total				
Tension-Torsion Straps (Set)	Retire	5	-	\$25,000	\$13.70	-	\$19,836	-	\$19,836	\$22,205	-	\$22,205	\$2,370	-	\$2,370				
Drive Shaft, Kafex (Set)	Retire	10	-	\$24,000	\$6.58	-	\$15,498	-	\$15,498	\$3,866	-	\$3,866	-	(\$11,632)	(\$11,632)				
M/R Transmission Assy	Overhaul	-	3,000	\$90,000	-	\$30.00	-	\$4,188	\$4,188	-	\$4,607	\$4,607	\$419	-	\$419				
M/R Mast Assy	Retire	-	3,500	\$30,000	-	\$8.57	-	\$207	\$207	-	\$227	\$227	\$21	-	\$21				
M/R Hub Assy	Overhaul	-	2,700	\$70,000	-	\$25.93	-	\$26,431	\$26,431	-	\$29,075	\$29,075	\$2,643	-	\$2,643				
Blade Assy, Main Rotor (Set)	Retire	-	3,200	\$85,000	-	\$26.56	-	\$71,679	\$71,679	-	\$78,847	\$78,847	\$7,168	-	\$7,168				
Tailboom Assy.	Retire	-	5,900	\$90,000	-	\$15.25	-	\$25,104	\$25,104	-	\$27,614	\$27,614	\$2,510	-	\$2,510				
Fan Blade Assy (Set)	Retire	-	12,500	\$20,000	-	\$1.60	-	\$18,670	\$18,670	-	\$20,757	\$20,757	\$1,887	-	\$1,887				
HMU	Overhaul	-	2,500	\$50,000	-	\$20.00	-	\$45,690	\$45,690	-	\$50,259	\$50,259	\$4,569	-	\$4,569				
Turbine Assy	Overhaul	-	2,000	\$130,000	-	\$65.00	-	\$67,782	\$67,782	-	\$74,560	\$74,560	\$6,778	-	\$6,778				
Compressor Inspection	Inspection	-	2,000	\$15,000	-	\$7.50	-	\$7,821	\$7,821	-	\$8,603	\$8,603	\$782	-	\$782				
Compressor Impeller	Retire	-	7,500	\$120,000	-	\$16.00	-	\$26,189	\$26,189	-	\$28,808	\$28,808	\$2,619	-	\$2,619				
								<b>\$128,295</b>			<b>\$349,428</b>				<b>\$20,134</b>				

(1) Indicative current cost data provided by component vendors or OEM  
(2) Key Component Value calculated by taking the days or hours remaining multiplied by the \$ / day or \$ / hour  
(3) At the end of the lease term or end of early lease termination, the net Cobra or Brim payment is calculated by taking the Surrender Component Value minus the Delivery Surrender Value  
(4) If the Surrender Component Value exceeds the Delivery Component Value, Lessor will promptly pay to Lessee the difference between the Surrender Component Value and the Delivery Component Value, and conversely, if the Delivery Component Value exceeds the Surrender Component Value, Lessee will promptly pay to Lessor the difference between the Delivery Component Value and the Surrender Component Value

**Exhibit E**  
**Run Sheets**

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BRIM AVIATION  
P O BOX 3009  
ASHLAND, OREGON 97520  
445 DEAD INDIAN MEMORIAL RD  
ASHLAND, OREGON 97520  
PH: 541-482-1008  
EMAIL: INFO@BRIMAVIATION.COM  
WWW.BRIMAVIATION.COM

## Maintenance Tracking Report

N745BW

Page No: 1

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### GENERAL DETAILS

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Operator: Brim Aviation	#1 Engine Type:	
Serial No: RN045		Part No: Nil
A/C Type: MD 600N	Serial No: CAE-847831	Serial No: Nil
Year: 0000-00-00		
Flight Manual Revision:		
Empty Weight (kg): 0.00		

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### MAINTENANCE DETAILS

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Date Of Values: 11-22-2019

Airframe:	3931.70 hours	9186.00 cycles (LDGS)	472.20 Hook hours
Engine 1:	7638.30 hours	9186.00 Cycles	
Torque Events:	57061.00		
RINs:	66247.00		



BRIM AVIATION  
P O BOX 3009  
ASHLAND, OREGON 97520  
445 DEAD INDIAN MEMORIAL RD  
ASHLAND, OREGON 97520

PH: 541-482-1008  
EMAIL: INFO@BRIMAVIATION.COM  
WWW.BRIMAVIATION.COM

# Maintenance Tracking Report

AIRCRAFT REGISTRATION:

N745BW

DATE:

11-22-2019

PAGE NO:

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## Inspection

Type	Inspection	Reference	Period	Last Done	Next Due	Remaining	
General	M/R Swashplate Regrease	M/R Swashplate Regrease	24 Months	01-07-2018	01-07-2020	8 Days	
General	100 Hour Insp.	100 Hour Insp.	100 Airframe Hours	6952.40	7052.40	30.20 Hours	
General	Tunnel Beam/Web Insp.	Tunnel Beam/Web Insp.	100 Airframe Hours	6952.40	7052.40	30.20 Hours	
General	Forward Upper Longeron Insp.	Upper Longeron Insp. 53-30-30	100 Airframe Hours	6952.40	7052.40	30.20 Hours	
Airframe Inspection	ICA Door Openers	STC# SH2735NM	100 Airframe Hours	6952.40	7052.40	30.20 Hours	
Limitation Note: Verify installation of safety clips, Door and Fuselage Mount Brackets: Check fasteners for security, bracket condition, operation of pneumatic cylinders							
Airframe Inspection	ICA Wire Strike Kit	STC# SH1713SO	100 Airframe Hours	6952.40	7052.40	30.20 Hours	
Limitation Note: Inspect for condition and security of upper cutter Assy, lower cutter Assy, and blades for deformation, corrosion, nicks and cracks. Inspect for surface finish deterioration and corrosion.							
Airframe Inspection	ICA FDC Filter Kit	STC# SR00877SE	100 Airframe Hours	6952.40	7052.40	30.20 Hours	
Limitation Note: Visual inspection of filter element. Inspect, clean, and reoil elements as required. Inspect bypass air door, pressure sensing switch, and electrical connections. Inspect filter frame structure and hardware for cracks and general security.							
Airframe Inspection	ICA Tech Tool Windows	STC# SR09192RC	100 Airframe Hours	6952.40	7052.40	30.20 Hours	
Limitation Note: Inspect for condition of glass, and slider for proper operation and attachment							
Airframe Inspection	ICA Onboard Systems Cargo Hook	STC# SR00525SE	100 Airframe Hours	6952.40	7052.40	30.20 Hours	
Limitation Note: Ensure pivot points rotate freely, visually inspect for presence and security of four attach bolts, visually inspect pivot link and Pillow Block for cracks and damage							
Airframe Inspection	ICA NAT AMS 42, NAT 136D FM Radio	337 Dated 4/4/2013	100 Airframe Hours	6952.40	7052.40	30.20 Hours	
Limitation Note: Inspect for proper operation, general condition, security of attachment, corrosion, wiring for chafing and general damage							
Airframe Inspection	ICA Whelen LED Anti-Collision Beacons	STC# SA615EA	100 Airframe Hours	6952.40	7052.40	30.20 Hours	
Limitation Note: Inspect LED's for proper operation, general condition, and security of attachment							
Airframe Inspection	ICA Kannad 406 ELT	337 Dated 4/4/2013	100 Airframe Hours	6952.40	7052.40	30.20 Hours	
Limitation Note: Inspect for proper orientation, general condition, security of attachment, battery due date and defects							
Airframe Inspection	ICA Garmin SL40	337 dated 4/4/2013	100 Airframe Hours	6952.40	7052.40	30.20 Hours	
Limitation Note: Inspect for proper orientation, general condition, security of attachment, corrosion, wiring for chafing and general damage							
Airframe Inspection	ICA GTX 330	337 Dated 4/4/2013	100 Airframe Hours	6952.40	7052.40	30.20 Hours	
Limitation Note: Inspect for proper orientation, general condition, security of attachment, corrosion, wiring for chafing, and general damage							
Airframe Inspection	ICA Cargo Mirror	337 Dated 4/30/2013	100 Airframe Hours	6952.40	7052.40	30.20 Hours	
Limitation Note: Inspect for damage and/or wear, security of attaching hardware, and condition of safety							
Airframe Inspection	ICA Structural Provision	STC# SR02310SE	100 Airframe Hours	6952.40	7052.40	30.20 Hours	
Limitation Note: Inspect for security of attachment, attach lugs for wear and cracking, or deep scratches. (No cracks, deep scratches, or gouges allowed) check for application of torque stripe on nuts.							
<b>ICA</b>			<b>Reference</b>	<b>Period</b>	<b>Last Done</b>	<b>Next Due</b>	<b>Remaining</b>
Airframe Inspection	ICA Rapid Removal Door Hinges	STC# SR00409SE	100 Airframe Hours	6952.40	7052.40	30.20 Hours	
Limitation Note: Check for security of attachment, worn bushings, proper operation of locking pins							
Airframe Inspection	ICA Lead Acid Battery	STC# SR01564LA	600 Airframe Hours	6481.90	7061.90	39.70 Hours	
Limitation Note: Perform capacity test							
General	300 Hour Eng. Insp.	300 Hour Eng. Insp.	300 Engine1 Hours	7382.10	7682.10	43.80 Hours	
General	300 Hour Insp.	300 Hour Insp.	300 Airframe Hours	6766.50	7066.50	44.30 Hours	
General	M/R Upper Brg. Regrease	M/R Upper Brg. Regrease	300 Airframe Hours	6766.50	7066.50	44.30 Hours	
General	Fwd & Ctr. Cable Insp.	Fwd & Ctr. Cable Insp.	300 Airframe Hours	6766.50	7066.50	44.30 Hours	
General	600 Hour Insp.	600 Hour Insp.	600 Airframe Hours	6486.40	7086.40	64.20 Hours	
General	Cyclic Control Sys. Insp.	Cyclic Control Sys. Insp.	600 Airframe Hours	6486.40	7086.40	64.20 Hours	
General	Fan Clevis Insp.	Fan Clevis Insp.	600 Airframe Hours	6486.40	7086.40	64.20 Hours	
General	150 Hour Eng. Insp.	150 Hour Eng. Insp.	150 Engine1 Hours	7580.10	7730.10	91.80 Hours	
General	Fan Pitch Brg. Retainer Insp.	Fan Pitch Brg. Retainer Insp.	1200 Airframe Hours	6005.20	7205.20	183.00 Hours	
General	Fan Pitch Brg. Regrease	Fan Pitch Brg. Regrease	1200 Airframe Hours	6005.20	7205.20	183.00 Hours	



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General	Fan Support Brg, Regrease	Fan Support Brg, Regrease	1200 Airframe Hours	6005.20	7205.20	183.00 Hours
General	600 Hour Insp.	600 Hour Insp.	12 Months	05-04-2019	05-04-2020	126 Days
General	Fan G/B Oil Change	Fan G/B Oil Change	12 Months	05-04-2019	05-04-2020	126 Days
General	M/R Driveshaft Insp.	M/R Driveshaft Insp.	12 Months	05-04-2019	05-04-2020	126 Days
General	Annual Insp.	Annual Insp.	12 Months	06-13-2019	06-13-2020	166 Days
Airframe Inspection	Full AD Audit		1 Years	00-00-0000	06-13-2020	166 Days
Limitation Note: Fully audit all AD's and verify compliance, also verify that there are no new AD's						
General	M/R Lower Brg, Regrease	M/R Lower Brg, Regrease	24 Months	07-01-2018	07-01-2020	184 Days
General	NOTAR Fan Insp.	NOTAR Fan Insp.	1200 Airframe Hours	6315.90	7515.90	493.70 Hours
General	Fan Support Brg, Regrease	Fan Support Brg, Regrease	24 Months	07-27-2018	07-27-2020	210 Days
General	Fan Pitch Brg, Retainer Insp.	Fan Pitch Brg, Retainer Insp.	24 Months	07-27-2018	07-27-2020	210 Days
General	Fan Pitch Brg, Regrease	Fan Pitch Brg, Regrease	24 Months	07-27-2018	07-27-2020	210 Days
General	Fwd & Ctr. Cable Insp.	Fwd & Ctr. Cable Insp.	12 Months	08-27-2019	08-27-2020	241 Days
General	ELT Test (91.207D)	ELT Test (91.207D)	12 Months	08-27-2019	08-27-2020	241 Days
General	Horizontal Stab. Mount Insp.	Horizontal Stab. Mount Insp.	1200 Airframe Hours	6486.40	7686.40	664.20 Hours
Airframe Inspection	Upper Longeron Insp L153, R153		1200 Airframe Hours	6486.40	7686.40	664.20 Hours
General	Yearly Insp.	Yearly Insp.	12 Months	09-13-2019	09-13-2020	258 Days
Airframe Inspection	ICA Lead Acid Battery	STC# SR01564LA	1 Years	09-27-2019	09-27-2020	272 Days
Limitation Note: Perform Capacity Test						
General	M/R Lower Brg, Regrease	M/R Lower Brg, Regrease	2700 Airframe Hours	5119.10	7819.10	796.90 Hours
General	Anti-Torque Fan Insp.	Anti-Torque Fan Insp.	24 Months	12-18-2018	12-18-2020	354 Days
General	M/R Swashplate Regrease	M/R Swashplate Regrease	2700 Airframe Hours	5360.90	8060.90	1038.70 Hours
General	Altimeter Insp. (91.411)	Altimeter Insp. (91.411)	24 Months	04-30-2019	04-30-2021	487 Days
General	Transponder Insp. (91.413)	Transponder Insp. (91.413)	24 Months	04-30-2019	04-30-2021	487 Days
General	M/R Upper Brg, Regrease	M/R Upper Brg, Regrease	24 Months	08-27-2019	08-27-2021	606 Days
General	Lower Longeron Insp.	Lower Longeron Insp.	15000 Airframe Hours	0.00	15000.00	7977.80 Hours

Airframe Lived Components

Part No.	Description	Serial No.	Life At Install	Period	Last Done	Next Due	Remaining
600N7630-3 (OH)	M/R Swashplate (Overhaul)	009999-E15	835.90	2700 Airframe Hours	5360.90	7225.00	202.80 Hours OH
500N5364-3 (R)	Fan Support Bearing (Retire)	082355-0784	0.00	2400 Airframe Hours	6005.20	8405.20	1383.00 Hours R
500N7120-3 (R)	Pitch Plate Bearing (Retire)	082355-0653	0.00	2400 Airframe Hours	6005.20	8405.20	1383.00 Hours R
500N5363-7	Pitch Plate Assy.	008158-0088	0.00	7500 Airframe Hours	0.00	7500.00	477.80 Hours
500N5311-5 (R)	Tension-Torsion Strap (Retire)	n/a	0.00	5 Years	12-18-2018	12-18-2023	1449.00 Days R
52B-023-00	Cargo Hook	1452	0.00	1 Years	09-27-2019	09-27-2020	272.00 Days
52B-023-00	Cargo Hook	1452	0.00	1000 Hook hours	383.60	1383.60	911.40 Cycles
500N5215 (OH)	Drive Shaft, Kalflex	2051	0.00	10 Years	06-14-2016	06-14-2026	2358.00 Days OH
500N5215 (OH)	Drive Shaft, Kalflex	2059	0.00	10 Years	06-14-2016	06-14-2026	2358.00 Days OH
369D25501-9 (OH)	Drive Shaft, Coupling (Kalflex)	KAM2-205	0.00	10 Years	12-18-2018	12-18-2028	3276.00 Days OH
369D25501-9 (OH)	Drive Shaft, Coupling (Kalflex)	KAM2-204	0.00	10 Years	12-18-2018	12-18-2028	3276.00 Days OH
500N5200 (R)	Drive Shaft, Fan	6084-N250	0.00	1200 Airframe Hours	5919.10	7119.10	96.90 Hours R
500N5200 (R)	Drive Shaft, Fan	6084-N250	0.00	1000000 FAN D/S RINS	5093272.80	6093272.80	72552.20 RINS R
BAT200 (LL)	Kannad ELT Battery	n/a	0.00	73 Months	08-27-2019	09-27-2025	2098.00 Days LL
RG-624	Airframe Battery	41007406	0.00	On Condition	N/A	On Condition	N/A
500N5357-13	Shaft, Nolar Fan Sup.	5646-005	0.00	4000 Airframe Hours	4819.20	8819.20	1797.00 Hours
600N3950-3	Torque Tube, Horiz	8564-0009	0.00	1000 Airframe Hours	6958.20	7958.20	936.00 Hours



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Part Number	Description	Part Number	Cost	Quantity	Unit	Price	Hours	Cost	Hours
600N3950-3	Torque Tube, Horiz	8564-0007	0.00	1000	Airframe Hours	6958.20	7958.20	936.00	Hours
369F5456-1 (R)	Overrunning Clutch Sprag (Retire)	1343	0.00	1800	Airframe Hours	6168.00	7968.00	945.80	Hours R
369F5456-1 (R)	Overrunning Clutch Sprag (Retire)	1343	0.00	1800	Hook hours	1.00	1801.00	1328.80	Cycles R
369F5100-507	M/R Transmission Assy.	005570-0020	935.80	3000	Airframe Hours	5097.60	7161.80	138.60	Hours
600N1200-503	M/R Hub Assembly (Overhaul)	009999-0053	1144.70	2700	Airframe Hours	6486.40	8041.70	1019.50	Hours
369C28550	Starter / Generator (Overhaul)	S00212	0.00	1200	Airframe Hours	6162.40	7362.40	340.20	Hours
500P2300-505	Blade Assy, Main Rotor	652U	0.00	1000000	Blade RINS	2312792.00	3312792.00	819776.00	RINS
500P2300-505	Blade Assy, Main Rotor	652U	0.00	3200	Airframe Hours	6520.70	9720.70	2698.50	Hours
500P2300-505	Blade Assy, Main Rotor	653U	0.00	1000000	Blade RINS	2312792.00	3312792.00	819776.00	RINS
500P2300-505	Blade Assy, Main Rotor	653U	0.00	3200	Airframe Hours	6520.70	9720.70	2698.50	Hours
500P2300-505	Blade Assy, Main Rotor	654U	0.00	1000000	Blade RINS	2312792.00	3312792.00	819776.00	RINS
500P2300-505	Blade Assy, Main Rotor	654U	0.00	3200	Airframe Hours	6520.70	9720.70	2698.50	Hours
500P2300-505	Blade Assy, Main Rotor	654U	0.00	1000000	Blade RINS	2312792.00	3312792.00	819776.00	RINS
500P2300-505	Blade Assy, Main Rotor	654U	0.00	3200	Airframe Hours	6520.70	9720.70	2698.50	Hours
500P2300-505	Blade Assy, Main Rotor	655U	0.00	1000000	Blade RINS	2312792.00	3312792.00	819776.00	RINS
500P2300-505	Blade Assy, Main Rotor	655U	0.00	3200	Airframe Hours	6520.70	9720.70	2698.50	Hours
500P2300-505	Blade Assy, Main Rotor	656U	0.00	1000000	Blade RINS	2312792.00	3312792.00	819776.00	RINS
500P2300-505	Blade Assy, Main Rotor	656U	0.00	3200	Airframe Hours	6520.70	9720.70	2698.50	Hours
500P2300-505	Blade Assy, Main Rotor	657U	0.00	1000000	Blade RINS	2312792.00	3312792.00	819776.00	RINS
500P2300-505	Blade Assy, Main Rotor	657U	0.00	3200	Airframe Hours	6520.70	9720.70	2698.50	Hours
600N3500-515 (LL)	Tailboom Assy.	009999-0034	3237.30	5900	Airframe Hours	6005.20	8667.90	1645.70	Hours LL
MHS5482-6H16	Tailboom Bolts	NA	0.00	300	Airframe Hours	6766.50	7066.50	44.30	Hours
369A1004-5	Folding Pin, M/R Blade	7218	0.00	7600	Airframe Hours	2701.50	10301.50	3279.30	Hours
369A1004-5	Folding Pin, M/R Blade	5510-F431	0.00	7600	Airframe Hours	2701.50	10301.50	3279.30	Hours
369A1004-5	Folding Pin, M/R Blade	5510-F460	0.00	7600	Airframe Hours	2701.50	10301.50	3279.30	Hours
369A1004-5	Folding Pin, M/R Blade	7209	0.00	7600	Airframe Hours	2701.50	10301.50	3279.30	Hours
369A1004-5	Folding Pin, M/R Blade	7914	0.00	7600	Airframe Hours	2701.50	10301.50	3279.30	Hours
369A1004-5	Folding Pin, M/R Blade	5510-F488	0.00	7600	Airframe Hours	2701.50	10301.50	3279.30	Hours
369A1004-5	Folding Pin, M/R Blade	5510-F495	0.00	7600	Airframe Hours	2701.50	10301.50	3279.30	Hours
369X1004-5	Folding Pin, M/R Blade	E158	0.00	7600	Airframe Hours	2701.50	10301.50	3279.30	Hours
369A1004-5	Folding Pin, M/R Blade	5510-F474	0.00	7600	Airframe Hours	2701.50	10301.50	3279.30	Hours
369X1004-5	Folding Pin, M/R Blade	E155	0.00	7600	Airframe Hours	2701.50	10301.50	3279.30	Hours
369X1004-5	Folding Pin, M/R Blade	E165	0.00	7600	Airframe Hours	2701.50	10301.50	3279.30	Hours
369X1004-5	Folding Pin, M/R Blade	D-979	0.00	7600	Airframe Hours	2701.50	10301.50	3279.30	Hours
500N5310-23 (R)	Fan Blade Assembly	5146-0534	0.00	12500	Airframe Hours	6315.90	18815.90	11793.70	Hours R
500N5310-23 (R)	Fan Blade Assembly	5146-0535	0.00	12500	Airframe Hours	6315.90	18815.90	11793.70	Hours R
500N5310-23 (R)	Fan Blade Assembly	5146-0633	0.00	12500	Airframe Hours	6315.90	18815.90	11793.70	Hours R
500N5310-23 (R)	Fan Blade Assembly	5146-0634	0.00	12500	Airframe Hours	6315.90	18815.90	11793.70	Hours R
500N5310-23 (R)	Fan Blade Assembly	5146-0635	0.00	12500	Airframe Hours	6315.90	18815.90	11793.70	Hours R
500N5310-23 (R)	Fan Blade Assembly	5146-0636	0.00	12500	Airframe Hours	6315.90	18815.90	11793.70	Hours R
500N5310-23 (R)	Fan Blade Assembly	5146-0637	0.00	12500	Airframe Hours	6315.90	18815.90	11793.70	Hours R
500N5310-23 (R)	Fan Blade Assembly	5146-0638	0.00	12500	Airframe Hours	6315.90	18815.90	11793.70	Hours R
500N5310-23 (R)	Fan Blade Assembly	5146-0640	0.00	12500	Airframe Hours	6315.90	18815.90	11793.70	Hours R
500N5310-23 (R)	Fan Blade Assembly	5146-0642	0.00	12500	Airframe Hours	6315.90	18815.90	11793.70	Hours R
500N5310-23 (R)	Fan Blade Assembly	5146-0643	0.00	12500	Airframe Hours	6315.90	18815.90	11793.70	Hours R
500N5310-23 (R)	Fan Blade Assembly	5146-0645	0.00	12500	Airframe Hours	6315.90	18815.90	11793.70	Hours R
500N5310-23 (R)	Fan Blade Assembly	5146-0647	0.00	12500	Airframe Hours	6315.90	18815.90	11793.70	Hours R



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Part Number	Description	Part Number	Price	Quantity	Unit Price	Total Price	Hours
389D22014-501	Mast Assy, M/R	7604-2523	2372.80	3500 Airframe Hours	5919.10	7046.30	24.10 Hours
369D21255	Upper Thrust Brg. Cup	5837-2654	0.00	600 Airframe Hours	6766.50	7366.50	344.30 Hours
369D21254	Upper Thrust Brg. Cone	5837-2601	0.00	600 Airframe Hours	6766.50	7366.50	344.30 Hours
638D2219	Oil Cooler Blower Belt	NSN	0.00	1200 Airframe Hours	5919.10	7119.10	96.90 Hours
369H5655-3, -5	Oil Cooler Blower Bearings	NA	0.00	1200 Airframe Hours	5919.10	7119.10	96.90 Hours
369D21210-501	Retension Strap, M/R	003343-K722	1144.70	2770 Airframe Hours	6486.40	8111.70	1089.50 Hours
369D21210-501	Retension Strap, M/R	003343-K723	1144.70	2770 Airframe Hours	6486.40	8111.70	1089.50 Hours
369D21210-501	Retension Strap, M/R	003343-K724	1144.70	2770 Airframe Hours	6486.40	8111.70	1089.50 Hours
369D21210-501	Retension Strap, M/R	003343-K725	1144.70	2770 Airframe Hours	6486.40	8111.70	1089.50 Hours
369D21210-501	Retension Strap, M/R	003343-K726	1144.70	2770 Airframe Hours	6486.40	8111.70	1089.50 Hours
369D21210-501	Retension Strap, M/R	003343-K765	1144.70	2770 Airframe Hours	6486.40	8111.70	1089.50 Hours
500N5352-9	Hub, Fan	000038-0141	0.00	7500 Airframe Hours	0.00	7500.00	477.80 Hours
500N3740-71	Rotating Cone Assy.	006040-0004	0.00	10000 Airframe Hours	1100.00	11100.00	4077.80 Hours
369H1203-51	Lead Lag Link	008158-0519	1144.70	11080 Airframe Hours	6486.40	16421.70	9399.50 Hours
369H1203-51	Lead Lag Link	008158-0520	1144.70	11080 Airframe Hours	6486.40	16421.70	9399.50 Hours
369H1203-51	Lead Lag Link	008158-0521	1144.70	11080 Airframe Hours	6486.40	16421.70	9399.50 Hours
369H1203-51	Lead Lag Link	008158-0522	1144.70	11080 Airframe Hours	6486.40	16421.70	9399.50 Hours
369H1203-51	Lead Lag Link	008158-0523	1144.70	11080 Airframe Hours	6486.40	16421.70	9399.50 Hours
369H1203-51	Lead Lag Link	008158-0527	1144.70	11080 Airframe Hours	6486.40	16421.70	9399.50 Hours
369H1203-51	Lead Lag Link	008158-0542	1144.70	11080 Airframe Hours	6486.40	16421.70	9399.50 Hours
369H1203-51	Lead Lag Link	008158-0576	1144.70	11080 Airframe Hours	6486.40	16421.70	9399.50 Hours
369H1203-51	Lead Lag Link	008158-0577	1144.70	11080 Airframe Hours	6486.40	16421.70	9399.50 Hours
369H1203-51	Lead Lag Link	008158-0578	1144.70	11080 Airframe Hours	6486.40	16421.70	9399.50 Hours
369H1203-51	Lead Lag Link	008158-0579	1144.70	11080 Airframe Hours	6486.40	16421.70	9399.50 Hours
369H1203-51	Lead Lag Link	008158-0585	1144.70	11080 Airframe Hours	6486.40	16421.70	9399.50 Hours
600N5510-1	M/R Drive Shaft (Retire)	000038-0152	1142.00	14000 Airframe Hours	6486.40	19344.40	12322.20 Hours
600N5510-1 (R)	M/R Drive Shaft (Retire)	000038-0152	96430.00	1000000 M/R D/S RINS	482390.00	1385960.00	863667.00 RINS R
369D21259-3	Thrust Bearing Cone Lower	LN2012	1144.70	5400 Airframe Hours	6486.40	10741.70	3719.50 Hours
369D21257-3	Thrust Bearing Cup Lower	LN2012	1144.70	5400 Airframe Hours	6486.40	10741.70	3719.50 Hours
369D21400-503	M/R Dampner	31404	0.00	On Condition	N/A	On Condition	N/A
369D21400-503	M/R Dampner	31410	0.00	On Condition	N/A	On Condition	N/A
369D21400-503	M/R Dampner	31437	0.00	On Condition	N/A	On Condition	N/A
369D21400-503	M/R Dampner	31427	0.00	On Condition	N/A	On Condition	N/A
369D21400-503	M/R Dampner	31416	0.00	On Condition	N/A	On Condition	N/A
369D21400-503	M/R Dampner	31408	0.00	On Condition	N/A	On Condition	N/A
500N3910-17	Horiz. Stab. Assy.	009999-0045	0.00	On Condition	N/A	On Condition	N/A
500N5400	Notar Transmission	n/a	0.00	On Condition	N/A	On Condition	N/A
369D21220	Lead Lag Bolt	000110-5855	1144.70	5400 Airframe Hours	6486.40	10741.70	3719.50 Hours
369D21220	Lead Lag Bolt	000110-5855	214056.00	1000000 LL Bolt RINS	1150489.20	1936433.20	690853.60 RINS
369D21220	Lead Lag Bolt	000110-6254	1144.70	5400 Airframe Hours	6486.40	10741.70	3719.50 Hours
369D21220	Lead Lag Bolt	000110-6254	214056.00	1000000 LL Bolt RINS	1150489.20	1936433.20	690853.60 RINS
369D21220	Lead Lag Bolt	000110-6562	1144.70	5400 Airframe Hours	6486.40	10741.70	3719.50 Hours
369D21220	Lead Lag Bolt	000110-6562	214056.00	1000000 LL Bolt RINS	1150489.20	1936433.20	690853.60 RINS
369D21220	Lead Lag Bolt	000110-6578	1144.70	5400 Airframe Hours	6486.40	10741.70	3719.50 Hours
369D21220	Lead Lag Bolt	000110-6578	214056.00	1000000 LL Bolt RINS	1150489.20	1936433.20	690853.60 RINS



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369D21220	Lead Lag Bolt	000110-6615	1144.70	5400 Airframe Hours	6486.40	10741.70	3719.50 Hours
369D21220	Lead Lag Bolt	000110-6615	214056.00	1000000 LL Bolt RINS	1150489.20	1936433.20	690853.60 RINS
369D21220	Lead Lag Bolt	000110-6692	1144.70	5400 Airframe Hours	6486.40	10741.70	3719.50 Hours
369D21220	Lead Lag Bolt	000110-6692	214056.00	1000000 LL Bolt RINS	1150489.20	1936433.20	690853.60 RINS

Engine 1 Lfied Components

Part No.	Description	Serial No.	Life At Install	Period	Last Done	Next Due	Remaining
23073953 (OH)	Bleed Valve	IF40305	0.00	1500 Engine1 Hours	6971.30	8471.30	833.00 Hours OH
23076031 (OH)	HMLU	JGALM1962	0.00	2500 Engine1 Hours	7422.80	9922.80	2284.50 Hours OH
23063354 (OH)	Turbine Assy.	CAT-44470	0.00	2000 Engine1 Hours	6681.10	8681.10	1042.80 Hours OH
23065593	Compressor 2000hr Inspection	CAC-45054	0.00	2000 Engine1 Hours	6681.10	8681.10	1042.80 Hours
M250-10604	Fuel Nozzle	0177	0.00	2000 Engine1 Hours	5993.40	7993.40	355.10 Hours
M250-10227	1st Stage Wheel	X623852	0.00	2025 Engine1 Hours	6681.10	8706.10	1067.80 Hours
M250-10227	1st Stage Wheel	X623852	0.00	3000 Airframe Cycles	8070.00	11070.00	1884.00 Cycles
M250-10658	2nd Stage Wheel	X633235	0.00	2025 Engine1 Hours	6681.10	8706.10	1067.80 Hours
M250-10658	2nd Stage Wheel	X633235	0.00	3000 Airframe Cycles	8070.00	11070.00	1884.00 Cycles
M250-10748	3rd Stage Wheel	X646617	0.00	4550 Engine1 Hours	6681.10	11231.10	3592.80 Hours
M250-10748	3rd Stage Wheel	X646617	0.00	6000 Airframe Cycles	8070.00	14070.00	4884.00 Cycles
23066744	4th Stage Wheel	X632288	0.00	4550 Engine1 Hours	6681.10	11231.10	3592.80 Hours
23066744	4th Stage Wheel	X632288	0.00	6000 Airframe Cycles	8070.00	14070.00	4884.00 Cycles
M250-10410	Impeller	JY106977	0.00	7500 Engine1 Hours	1775.10	9275.10	1636.80 Hours
M250-10410	Impeller	JY106977	0.00	15000 Engine1 Np Cycles	1878.00	16878.00	7692.00 Cycles
23066745	Accessory GBX.	CAG-47831	0.00	On Condition	N/A	On Condition	N/A
23070259	FADEC	JG7ALK0357	36.40	On Condition	N/A	On Condition	N/A

ADs

Types	Subject	AD Number	Based On	Period	Warning	Last Done	Next Due	Remaining
Repetitive ADs	150:AD MR Blade Crack Inspection	2019-05-04	Airframe Hours	100	20 Hours	6952.40	7052.40	30.20
Repetitive ADs	145:AD TT-Straps	2013-03-03	Date (Years)	5	6 Months	12-18-2018	12-18-2023	1449
Repetitive ADs	133:AD TOT	2000-08-22	Airframe Hours	300	50 Hours	6766.50	7066.50	44.30



## N745MB Helicopter Lease Agreement

This Helicopter Lease Agreement (this “**Agreement**”) is made this January 10, 2020 and effective January 1, 2020 (the “**Effective Date**”), by and between Cobra Aviation Services LLC, a Delaware limited liability company (“**Lessor**”) and Brim Equipment Leasing LLC, an Oregon limited liability company (“**Lessee**”). Each of Lessor and Lessee is sometimes hereinafter referred to as a “**Party**” and collectively as the “**Parties**” as the context requires.

WHEREAS, Lessor owns that certain MCDONNELL DOUGLAS HELICOPTER model 600N helicopter, bearing United States Registration Number N745MB, manufacturer’s serial number RN067, with one ROLLS ROYCE (formerly Allison) model 250-C47M engine bearing manufacturer’s serial number CAE-847874 (described on the International Registry Manufactures’ List as model 250-C47, serial number 847874), and any appliances, components, parts, instruments, appurtenances, accessories, furnishings or other equipment of whatever nature (other than the engine or complete engines) which may from time to time be incorporated or installed in or attached to the airframe or any engine and includes replacement thereof (the “**Helicopter**”); and

WHEREAS, Lessor desires to lease the Helicopter to Lessee and Lessee desires to lease the Helicopter from Lessor.

NOW THEREFORE, in consideration of the mutual covenants and promises hereinafter set forth, the Parties agree as follow:

1. Grant of Lease; Term. Subject to the terms and conditions set forth herein, Lessor hereby leases the Helicopter to Lessee and Lessee hereby leases the Helicopter from Lessor. The term of this Agreement shall begin on the date hereof and shall continue in effect for five (5) years, unless earlier terminated as provided herein. Each of Lessor and Lessee shall have the right to terminate this Agreement upon one hundred twenty (120) days’ written notice to the other Party for any or no reason, provided, however, that in the event the Helicopter has been committed to providing service for any customer of Lessee or any other third party, any notice of termination by Lessor with respect to such Helicopter shall not take effect until the termination of such commitment. This Agreement may also be terminated for cause in the case of an uncured Event of Default as described in Section 10 below, and shall terminate immediately and automatically without notice from either Party upon Lessee’s suspension, revocation or surrender of any of its Part 133, 135, or 137 Certificates.

2. Delivery Condition; Acceptance; Valuation. Lessee and Lessor acknowledge and agree that the Helicopter has been delivered to Lessee in an Airworthy Condition, with a current “Annual Inspection” and “100 Hour Inspection.” Lessor and Lessee further acknowledge and agree as to the Summary of MD 600 Component Information (the “**Component Summary**”) set forth in Exhibit A attached hereto, and to the total valuation of those certain key components of the Helicopter described in the Component Summary at the time of delivery as set forth in such Exhibit A (the “**Delivery Component Value**”). In further evidence of support, the maintenance records underpinning the Delivery Component Value is set forth in Exhibit E attached hereto.

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3. Use. Lessee shall use the Helicopter in a safe and appropriate manner and shall comply with and conform to all national, state, municipal, and other laws, ordinances and regulations in any way relating to the possession, use or maintenance of the Helicopter.

4. Maintenance and Repair. Lessee shall, at its own cost and expense, repair and maintain the Helicopter so as to keep it in good working order and operating condition during the term of this Agreement, including paying for: (i) any and all pre-flight and post-flight inspections and/or recurring inspections and scheduled and/or non-scheduled maintenance, and (ii) all inspections and other maintenance necessary for the Helicopter's operation under 14 CFR Parts 91, 133, 135, and 137. Except as otherwise provided below in this Section 4, Lessee shall be responsible for any damage or repair to the Helicopter which is caused or made necessary during the term of this Agreement while the Helicopter is under Lessee's, or its employees', agents', or representatives' control. However, notwithstanding the foregoing provisions of this Section 4, Lessor shall be responsible for the cost of parts and labor to comply with non-recurring mandatory Airworthiness Directives and Service Bulletins.

5. Rental Rate. Lessee shall pay to Lessor the Aircraft Rental Rate set forth on Exhibit B attached hereto (the "Aircraft Rental Rate"). Within 20 days after the end of each month during the term of this Agreement, Lessee shall deliver to Lessor: (a) a reasonably detailed accounting statement (each, a "Monthly Statement") setting forth the amounts payable during the previous month pursuant to this Agreement; and (b) the amount, if any, payable as set forth on such Monthly Statement. Within 10 days after Lessor's receipt of any Monthly Statement showing an amount payable, Lessee shall remit such payment to Lessor.

It is understood by the Parties hereto that Lessee shall make every reasonable commercial effort to make timely payments to Lessor, and that the foregoing payment terms are not a waiver of Lessor's right to ultimately receive payment from Lessee for work properly performed under this Agreement. Lessee will not be considered in default under this Agreement if it is in compliance with any of the payment terms set forth in this paragraph.

If full payment of an overdue amount is not made by Lessee to Lessor within thirty (30) days after Lessor's receipt of any Monthly Statement, Lessor shall have the right at that time to terminate this Agreement, and Lessee will then be required to make arrangements for, and pay the cost of, return of the Helicopter to Lessor. Nothing in the foregoing sentence shall be construed as a waiver of Lessee's obligation to pay the Aircraft Rental Rate.

6. Responsibilities and Fees.

- (a) Lessor shall be responsible only for the following expenses related to the use of the Helicopter:
  - (i) Payment of all debt service, license and federal, state and local registration fees;
  - (ii) Any applicable property taxes due for the ownership and operation of the Helicopter; and



- (iii) The cost of parts and labor to comply with non-recurring mandatory Airworthiness Directives and non-recurring mandatory Service Bulletins.
- (b) Lessee shall be responsible for all other expenses, including but not limited to the following:
  - (i) Hangar storage;
  - (ii) Insurance on the Helicopter, as described in Section 8, below;
  - (iii) Fuel and regular operating oil; and
  - (iv) maintenance required (A) on account of accident, foreign object damage or misuse of the Helicopter or (B) all pre-flight and post-flight inspections and/or recurring inspections and scheduled and/or non-scheduled maintenance, and (C) all inspections and other maintenance necessary for the Helicopter's operation under 14 CFR Parts 133, 135, and 137.

7. Surrender. Upon the expiration of this Agreement, Lessee shall return the Helicopter to Lessor in good repair, condition and mechanical working order and unless otherwise provided for herein shall pay for all parts, mechanisms, devices, or materials required to make it so at the time of surrender, ordinary wear and tear resulting from proper use thereof excepted, by delivering the Helicopter, at Lessee's cost and expense, to a specified mutually agreeable location in the contiguous 48 United States.

Additionally, the total valuation of the key components of the Helicopter used to determine the Delivery Component Value will be determined as of the date of surrender (the "Surrender Component Value"), by referencing Lessee's maintenance records and utilizing the baseline values set forth in the Component Summary. If the Surrender Component Value exceeds the Delivery Component Value, Lessor will promptly pay to Lessee the difference between the Surrender Component Value and the Delivery Component Value, and conversely, if the Delivery Component Value exceeds the Surrender Component Value, Lessee will promptly pay to Lessor the difference between the Delivery Component Value and the Surrender Component Value. For illustrative purposes only, an example of the process described in this paragraph is attached hereto as Exhibit C (providing an example where Lessee pays Lessor) and Exhibit D (providing an example where Lessor pays Lessee).

8. Insurance. Lessee shall procure and continuously maintain insurance for all risk against loss of, or damage to, the Helicopter, and shall procure and continuously maintain liability and any other applicable property damage insurance. A copy of the coverages/policies maintained by Lessee has been provided to Lessor, and Lessor hereby agrees that such coverage is acceptable. Lessee shall provide reasonable evidence of such policy on an annual basis. Such policy shall name Lessor as additionally insured and shall also name Lessor as a loss



payee on the hull coverage. Lessee shall also provide Lessor with a certificate evidencing such insurance.

9. Mutual Indemnity. Each Party hereto (the "Indemnifying Party") will indemnify, defend and hold harmless the other Party hereto (the "Indemnified Party") and its affiliate companies, and its and their respective directors, officers, employees, agents, successors and assigns, from and against any and all third party claims, liabilities, obligations, costs, expenses and reasonable attorneys' fees (collectively, "Damages") arising out of or related to (a) the Indemnifying Party's actual or alleged breach of this Agreement (including, without limitation, any warranty, representation or obligation herein), and/or (b) any act, omission, conduct or negligence in connection with the Indemnifying Party's performance hereunder. This Section 9 will survive expiration or termination of this Agreement for any reason.

10. Default and Remedies. It shall be an Event of Default if Lessee or Lessor fails to observe, keep or perform any material provision of this Agreement required to be observed.

Upon the occurrence of an Event of Default by Lessor which is not cured within ten (10) days of receipt of written notice of the occurrence from Lessee, Lessee shall, as its sole and exclusive remedy, have the right to terminate this Agreement.

Upon the occurrence of an Event of Default by Lessee which is not cured within ten (10) days of receipt of written notice of the occurrence from Lessor, Lessor shall as its sole and exclusive remedy, have the right to exercise any one or more of the following remedies:

- (a) take possession of the Helicopter, without demand or notice, wherever it may be located, without court order or other process of law; and
- (b) terminate this Agreement;

Nothing in the foregoing clause shall be construed to relieve Lessee of its obligations to pay all amounts due under the Aircraft Rental Rate.

11. Ownership and Rights. The Helicopter is, and shall at all times be and remain, the sole and exclusive property of Lessor. Lessee shall have no right, title or interest therein or thereto except as expressly set forth in this Agreement.

12. Notices. Any notice required or permitted under this Agreement shall be given in writing and shall be effective for all purposes if hand-delivered to the Party designated below or if sent by (a) certified or registered United States mail, postage prepaid, (b) by expedited delivery service, either commercial or United States Postal Service, with proof of delivery, or (c) by facsimile (provided that such facsimile is confirmed by expedited delivery service or by mail in the manner previously described), addressed as follows:

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does not comply with the technical requirements for notice under this Section 12 may elect to waive any deficiencies and treat the notice as having been properly given.

13. Representations and Warranties of Lessee. Lessee represents and warrants as of the date hereof and during the entire term of this Agreement as follows:

(a) Lessee is a validly organized limited liability company under the laws of the State of Oregon, and the person executing on behalf of Lessee has full power and authority to execute this Agreement on behalf of Lessee and by such execution shall bind Lessee under this Agreement.

(b) No action, suit, or proceeding is currently pending or threatened against Lessee which shall in any material way affect Lessee's financial status as of the date thereof, or impair the execution, delivery, or performance by Lessee of this Agreement.

(c) The execution and delivery of this Agreement by Lessee and the performance of its obligations hereunder have been duly authorized by all necessary corporate or limited liability company action, and do not conflict with any provision of Lessee's articles of organization, bylaws, operating agreement, any governmental regulations, or any other agreements that Lessee may now have with other parties.

(d) Lessee is not subject to any restriction, which with or without the giving of notice, the passage of time, or both, prohibits or would be violated by or be in conflict with this Agreement.

(e) Lessee will not permit the Helicopter to be operated in any unsafe manner or contrary to any manual or instructions for the Helicopter or in material violation of the terms or conditions of any insurance policy covering the Helicopter or any applicable statute, regulation, ordinance, or other law.

14. Representations and Warranties of Lessor. Lessor represents and warrants as of the date hereof and during the entire term of this Agreement as follows:

(a) Lessor is a validly organized limited liability company under the laws of the State of Delaware, and has full power and authority to execute this Agreement on behalf of Lessor and by such execution shall bind Lessor under this Agreement.

(b) No action, suit, or proceeding is currently pending or threatened against Lessor which shall in any material way affect Lessor's financial status as of the date thereof, or impair the execution, delivery, or performance by Lessor of this Agreement.

(c) The execution and delivery of this Agreement by Lessor and the performance of its obligations hereunder have been duly authorized by all necessary corporate or limited liability company action, and do not conflict with any provision of Lessor's articles of organization, bylaws, operating agreement, any governmental regulations, or any other agreements that Lessee may now have with other parties.

17/10/2016 10:00:00 AM



(d) Lessor is not subject to any restriction, which with or without the giving of notice, the passage of time, or both, prohibits or would be violated by or be in conflict with this Agreement.

15. Assignment. Lessee shall not assign this Agreement or its interest in the Helicopter without prior written consent of Lessor. Any such attempted assignment shall be null and void.

16. Force Majeure. Non-performance of either Party shall be excused to the extent that performance is rendered impossible by acts of God, public enemies, war, civil disorder, labor disputes or strikes, fire, flood, explosion, governmental acts, orders or restrictions, or any other reason where failure to perform is beyond the control and not caused by the negligence of the non-conforming Party.

17. Waiver. In no event shall any Party be liable for any claimed indirect, special, incidental, consequential or punitive damages, or for any damages consisting of damages for loss of use, revenue, profit, business opportunities and the like, even if the party had been advised of, or knew or should have known of, the possibility of such damages.

18. Governing Law. This Agreement has been delivered in the State of Delaware and shall in all respects be governed by, and construed in accordance with, the laws of the State of Delaware including all matters of construction, validity and performance, without giving effect to its conflict of laws provisions.

19. Jurisdiction and Venue. Exclusive jurisdiction and venue over any and all disputes between the Parties arising under this Agreement shall be in, and for such purpose each Party hereby submits to the jurisdiction of, the state and federal courts serving the State of Oregon.

20. Severability. If any provision of this Agreement is or becomes illegal, invalid or void under any applicable state or federal law under which performance hereunder is required, such provision will be considered severable, and the remaining provisions hereof will not be impaired, and this Agreement will be interpreted as far as possible so as to give effect to its stated purpose.

21. Execution. This Agreement may be executed in counterparts, each of which will be considered an original and all of which together will constitute one and the same agreement. Facsimile or other electronically transmitted signatures of this Agreement will constitute original signatures. At the request of any party, the parties will confirm facsimile or other electronically transmitted signatures by signing an original document.

22. Further Assurances. Each Party agrees to execute and deliver such other documents and to do and perform such other acts and things as the other Party may reasonably request to carry out the intent and accomplish the purposes of this Agreement.

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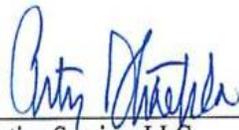
23. Exhibits. The Exhibits referenced in this Agreement are part of this Agreement as if fully set forth in this Agreement.

24. Entire Agreement. The Parties acknowledge that this Agreement is the complete and exclusive statement of the mutual understanding of the Parties with respect to the subject matter hereof and supersedes and cancels all conflicting terms and conditions and all previous and contemporaneous written and oral agreements and communications relating to such subject matter. This Agreement may not be modified or amended except by a written amendment which states that it is intended to amend this Agreement and is executed by a duly authorized representative of each Party. This Agreement will be construed without regard to any presumption or other rule requiring construction against the Party causing this Agreement to be drafted.

[signature page to follow]



IN WITNESS WHEREOF, the Parties hereto have executed this Agreement as of the day and year first above written.

**LESSOR:**   
Cobra Aviation Services LLC  
By: ARTY STRACELLA  
Title: CEO

**LESSEE:**   
Brim Equipment Leasing LLC  
By: JULIE BRIM  
Title: PRESIDENT

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## Exhibit A Component Summary; Delivery Component Value

Description	Part Number	Term	Component Lbs		Total (1)	Cost		Last Date	Status		Next Date	Remaining		Key Component Value (2)		Total		
			Years	Hours		\$/Day	\$/Hour		Days	Hours		Days	Hours	Days	Hours		Days	Hours
Tension/Tension Straps (S-M)	500V6311-5	Reline	5	-	\$25,000	\$12.70	-	05/27/16	-	277	-	1,550	-	\$21,233	\$21,233	\$21,233		
Drive Shaft, Kicker (Std)	500V6215	Reline	10	-	\$24,000	\$6.58	-	05/27/16	-	1,313	-	2,339	-	\$15,280	\$15,280	\$15,280		
M/R Transmission Assy	369F5100-503M	Overhaul	-	3,000	\$90,000	\$30.00	-	05/27/16	-	45	-	2,550	-	\$88,665	\$88,665	\$88,665		
M/R Mast Assy	369D22014-501	Overhaul	-	3,500	\$50,000	\$14.29	-	05/27/16	-	3,334	-	1,400	-	\$5,426	\$5,426	\$5,426		
M/R Hub Assy	600V1200-503	Overhaul	-	2,700	\$70,000	\$25.93	-	05/27/16	-	1,285	-	2,205	-	\$82,811	\$82,811	\$82,811		
Blade Assy, Main Rotor (Std)	500P2300-505	Reline	-	3,200	\$65,000	\$20.31	-	05/27/16	-	832	-	3,312	-	\$81,048	\$81,048	\$81,048		
Talboom Assy, Main Rotor (Std)	600V0500-511	Reline	-	5,600	\$90,000	\$16.07	-	05/27/16	-	6,646	-	5,694	-	\$9,398	\$9,398	\$9,398		
Fan Blade Assy (Std)	500V6310-19	Reline	-	12,500	\$20,000	\$1.60	-	05/27/16	-	2,103	-	1,694	-	\$7,208	\$7,208	\$7,208		
HMU	23078029	Overhaul	-	2,500	\$50,000	\$20.00	-	05/27/16	-	525	-	1,670	-	\$8,508	\$8,508	\$8,508		
Turbine Assy	23063354	Overhaul	-	2,000	\$120,000	\$60.00	-	05/27/16	-	1,061	-	7,289	-	\$52,045	\$52,045	\$52,045		
Compressor Inspection	23065993	Inspection	-	2,000	\$15,000	\$7.50	-	05/27/16	-	3,032	-	4,693	-	\$7,645	\$7,645	\$7,645		
Compressor Impeller	23065991	Reline	-	7,500	\$120,000	\$16.00	-	05/27/16	-	3,032	-	4,693	-	\$71,480	\$71,480	\$71,480		

(1) Indicate current cost data provided by component vendor or OEM  
 (2) Key Component Value calculated by taking the days or hours remaining multiplied by the \$ / day or \$ / hour



**Exhibit B Aircraft  
Rental Amount**

**Aircraft Rental Rate: \$90 per each flight hour**

In determining the monthly Aircraft Rental Rate for the Helicopter, flight hours will be determined based on monthly average flight hours of all MD 600 aircraft (including the Helicopter) which are owned or leased in any particular month by Lessee (prorated for partial month ownership/leasing), and not on actual flight hours of solely the Helicopter.

For illustrative purposes only, the following examples are included:

Example 1: In a particular month, Lessee owns or leases a total of four MD 600 aircraft, including the Helicopter.

*The actual usage of each aircraft is as follows:*

*Helicopter = 50 flight hours*

*Aircraft No. 2 = 100 flight hours*

*Aircraft No. 3 = 90 flight hours*

*Aircraft No. 4 = 0 flight hours*

*Average flight hour utilization per aircraft =  $(50 + 100 + 90 + 0) / 4 = 240 / 4 = 60$  flight hours*

***The Aircraft Rental Rate for the Helicopter for such month = 60 hours x \$90 = \$5,400***

Example 2: In a particular month, Lessee owns or leases a total of four MD 600 aircraft, including the Helicopter.

*The actual usage of each aircraft is as follows:*

*Helicopter = 0 flight hours*

*Aircraft No. 2 = 100 flight hours*

*Aircraft No. 3 = 100 flight hours*

*Aircraft No. 4 = 0 flight hours*

*Average flight hour utilization per aircraft =  $(0 + 100 + 100 + 0) / 4 = 200 / 4 = 50$  flight hours*

***The Aircraft Rental Rate for the Helicopter for such month = 50 hours x \$90 = \$4,500***

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**Exhibit C**  
**Illustrative Example of Surrender Calculations – Lessee Pays Lessor Key Component Value Difference**

N745MB  
As of 12/31/2019

Summary of MD 600 Component Information							Delivery Component Value			Surrender Component Value			Payment At End of Lease (3, 4)		
Description	Term	Component Life		Cost			Key Component Value (2)			Key Component Value (2)			Cobra Payments	Brim Payments	Net Cobra / (Brim)
		Years	Hours	Total (1)	\$ / Day	\$ / Hour	Days	Hours	Total	Days	Hours	Total			
Tension-Torsion Straps (Set)	Retire	5	-	\$25,000	\$13.70	-	\$21,233	-	\$21,233	\$22,205	-	\$22,205	\$973	-	\$973
Drive Shaft, Kaflex (Set)	Retire	10	-	\$24,000	\$6.58	-	\$15,380	-	\$15,380	\$3,866	-	\$3,866	-	(\$11,513)	(\$11,513)
M/R Transmission Assy	Overhaul	-	3,000	\$90,000	-	\$30.00	-	\$88,665	\$88,665	-	\$79,799	\$79,799	-	(\$8,866)	(\$8,866)
M/R Mast Assy	Retire	-	3,500	\$30,000	-	\$8.57	-	\$1,426	\$1,426	-	\$1,284	\$1,284	-	(\$143)	(\$143)
M/R Hub Assy	Overhaul	-	2,700	\$70,000	-	\$25.93	-	\$38,423	\$38,423	-	\$32,781	\$32,781	-	(\$3,642)	(\$3,642)
Blade Assy, Main Rotor (Set)	Retire	-	3,200	\$85,000	-	\$26.56	-	\$62,911	\$62,911	-	\$56,620	\$56,620	-	(\$6,291)	(\$6,291)
Tailboom Assy.	Retire	-	5,900	\$90,000	-	\$15.25	-	\$81,046	\$81,046	-	\$72,941	\$72,941	-	(\$8,105)	(\$8,105)
Fan Blade Assy (Set)	Retire	-	12,500	\$20,000	-	\$1.60	-	\$9,366	\$9,366	-	\$8,430	\$8,430	-	(\$937)	(\$937)
HMU	Overhaul	-	2,500	\$50,000	-	\$20.00	-	\$7,936	\$7,936	-	\$7,142	\$7,142	-	(\$794)	(\$794)
Turbine Assy	Overhaul	-	2,000	\$130,000	-	\$65.00	-	\$95,908	\$95,908	-	\$86,317	\$86,317	-	(\$9,591)	(\$9,591)
Compressor Inspection	Inspection	-	2,000	\$15,000	-	\$7.50	-	\$7,045	\$7,045	-	\$6,340	\$6,340	-	(\$704)	(\$704)
Compressor Impeller	Retire	-	7,500	\$120,000	-	\$16.00	-	\$71,490	\$71,490	-	\$64,341	\$64,341	-	(\$7,149)	(\$7,149)
									<b>\$495,898</b>		<b>\$449,863</b>				<b>(\$56,762)</b>

(1) Indicative current cost data provided by component vendors or OEM  
(2) Key Component Value calculated by taking the days or hours remaining multiplied by the \$ / day or \$ / hour  
(3) At the end of the lease term or end of early lease termination, the net Cobra or Brim payment is calculated by taking the Surrender Component Value minus the Delivery Surrender Value  
(4) If the Surrender Component Value exceeds the Delivery Component Value, Lessor will promptly pay to Lessee the difference between the Surrender Component Value and the Delivery Component Value, and conversely, if the Delivery Component Value exceeds the Surrender Component Value, Lessee will promptly pay to Lessor the difference between the Delivery Component Value and the Surrender Component Value

**Exhibit D**  
**Illustrative Example of Surrender Calculations – Lessor Pays Lessee Key Component Value Difference**

Summary of MD 600 Component Information										Delivery Component Value			Surrender Component Value			Payment At End of Lease (3, 4)		
Description	Term	Component Life		Cost		Key Component Value (2)			Key Component Value (2)			Cobra Payments	Brim Payments	Net Cobra / (Brim)				
		Years	Hours	Total (1)	\$ / Day	\$ / Hour	Days	Hours	Total	Days	Hours				Total			
Tension-Torsion Straps (Set)	Retire	5	-	\$25,000	\$13.70	-	\$21,233	-	\$21,233	\$22,205	-	\$22,205	\$973	-	\$973			
Drive Shaft, Kalflex (Set)	Retire	10	-	\$24,000	\$6.58	-	\$15,380	-	\$15,380	\$3,866	-	\$3,866	-	(\$11,513)	(\$11,513)			
M/R Transmission Assy	Overhaul	-	3,000	\$90,000	-	\$30.00	-	\$98,665	\$98,665	-	\$97,532	\$97,532	\$8,867	-	\$8,867			
M/R Mast Assy	Retire	-	3,500	\$30,000	-	\$8.57	-	\$1,426	\$1,426	-	\$1,569	\$1,569	\$143	-	\$143			
M/R Hub Assy	Overhaul	-	2,700	\$70,000	-	\$25.93	-	\$36,423	\$36,423	-	\$40,066	\$40,066	\$3,642	-	\$3,642			
Blade Assy, Main Rotor (Set)	Retire	-	3,200	\$85,000	-	\$26.56	-	\$62,911	\$62,911	-	\$69,202	\$69,202	\$6,291	-	\$6,291			
Tailboom Assy.	Retire	-	5,900	\$90,000	-	\$15.25	-	\$81,046	\$81,046	-	\$89,150	\$89,150	\$8,105	-	\$8,105			
Fan Blade Assy (Set)	Retire	-	12,500	\$20,000	-	\$1.60	-	\$9,366	\$9,366	-	\$10,303	\$10,303	\$937	-	\$937			
HMU	Overhaul	-	2,500	\$50,000	-	\$20.00	-	\$7,936	\$7,936	-	\$8,730	\$8,730	\$794	-	\$794			
Turbine Assy	Overhaul	-	2,000	\$130,000	-	\$65.00	-	\$95,908	\$95,908	-	\$105,498	\$105,498	\$9,591	-	\$9,591			
Compressor Inspection	Inspection	-	2,000	\$15,000	-	\$7.50	-	\$7,045	\$7,045	-	\$7,749	\$7,749	\$704	-	\$704			
Compressor Impeller	Retire	-	7,500	\$120,000	-	\$16.00	-	\$71,490	\$71,490	-	\$78,639	\$78,639	\$7,149	-	\$7,149			
								<b>\$435,821</b>				<b>\$535,508</b>			<b>\$35,681</b>			

(1) Indicative current cost data provided by component vendors or OEM  
 (2) Key Component Value calculated by taking the days or hours remaining multiplied by the \$ / day or \$ / hour  
 (3) At the end of the lease term or end of early lease termination, the net Cobra or Brim payment is calculated by taking the Surrender Component Value minus the Delivery Surrender Value  
 (4) If the Surrender Component Value exceeds the Delivery Component Value, Lessor will promptly pay to Lessee the difference between the Surrender Component Value and the Delivery Component Value, and conversely, if the Delivery Component Value exceeds the Surrender Component Value, Lessee will promptly pay to Lessor the difference between the Delivery Component Value and the Surrender Component Value

**Exhibit E**  
**Run Sheets**

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### GENERAL DETAILS

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Operator: Brim Aviation	#1 Engine Type:	
Serial No: RN067		Part No: Nil
A/C Type: MD 600N	Serial No: CAE-847874	Serial No: Nil
Year: 0000-00-00		
Flight Manual Revision:		
Empty Weight (kg): 0.00		

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### MAINTENANCE DETAILS

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Date Of Values: 12-23-2019

Airframe:	345.30 hours	5391.00 cycles (LDGS)	482.60 Hook hours
Engine 1:	6359.60 hours	5391.00 Cycles	
Torque Events:	43813.00		
RINs:	49204.00		



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## Inspection

Type	Inspection	Reference	Period	Last Done	Next Due	Remaining
General	100 Hour Insp.	100 Hour Insp.	100 Airframe Hours	6581.90	6681.90	35.80 Hours
General	Tunnel Beam/Web Insp.	Tunnel Beam/Web Insp.	100 Airframe Hours	6581.90	6681.90	35.80 Hours
General	Forward Upper Longeron Insp.	Upper Longeron Insp. 53-30-30	100 Airframe Hours	6581.90	6681.90	35.80 Hours
Airframe Inspection	ICA Door Openers	STC# SH2735NM	100 Airframe Hours	6581.90	6681.90	35.80 Hours
Limitation Note: Verify installation of safety clips, Door and fuselage mount brackets: check fasteners for security, bracket condition, operation of pneumatic cylinders						
Airframe Inspection	ICA Wire Strike Kit	STC# SH1713SO	100 Airframe Hours	6581.90	6681.90	35.80 Hours
Limitation Note: Inspect for condition and security of upper cutter Assy/lower cutter Assy, and blades for deformation, corrossions, nicks and cracks. Inspect for surface finish deterioration and corrosion.						
Airframe Inspection	ICA FDC Filter Kit	STC# SR00877SE	100 Airframe Hours	6581.90	6681.90	35.80 Hours
Limitation Note: Visual inspection of filter element. Inspect, clean, and reoil elements as required. Inspect bypass air door, pressure sensing switch, and electrical connections. Inspect filter frame structure and hardware for cracks and general security.						
Airframe Inspection	ICA Tech Tool Windows	STC# SR09192RC	100 Airframe Hours	6581.90	6681.90	35.80 Hours
Limitation Note: Inspection for condition of glass, and slider for proper operation and attachment						
Airframe Inspection	ICA Courtesy Handels	STC# SH8029	100 Airframe Hours	6581.90	6681.90	35.80 Hours
Limitation Note: Check for secure attachment						
Airframe Inspection	ICA Skynode Data/Satcom	337 Dated 8/31/2011	100 Airframe Hours	6581.90	6681.90	35.80 Hours
Limitation Note: Check for security of attachment and condition of components						
Airframe Inspection	ICA Pulselite	337 Dated 7/10/12	100 Airframe Hours	6581.90	6681.90	35.80 Hours
Limitation Note: Check for security of pulselite of module and wiring						
Airframe Inspection	ICA Side Pull Kit	STC# SH5230NM	100 Airframe Hours	6581.90	6681.90	35.80 Hours
Limitation Note: Ensure swivel block moves freely, roll pin is tight and straight						
Airframe Inspection	ICA Cargo Mirror	337 Dated 8/30/2011	100 Airframe Hours	6581.90	6681.90	35.80 Hours
Limitation Note: Inspect for damage and/or wear, security of attaching hardware, and condition of safety						
ICA		Reference	Period	Last Done	Next Due	Remaining
Airframe Inspection	ICA Onboard Systems Cargo Hook	STC# SR00892SE	100 Airframe Hours	6581.90	6681.90	35.80 Hours
Limitation Note: Visual inspect hook, bumper, manual/electrical release cables for security, attachment, cracks, damage and corrosion. Move throughout full range of motion, and check for proper operation.						
General	300 Hour Eng. Insp.	300 Hour Eng. Insp.	300 Engine1 Hours	6122.60	6422.60	63.00 Hours
General	300 Hour Insp.	300 Hour Insp.	300 Airframe Hours	6411.60	6711.60	65.50 Hours
General	Fwd & Ctr. Cable Insp.	Fwd & Ctr. Cable Insp.	300 Airframe Hours	6411.60	6711.60	65.50 Hours
General	M/R Upper Brg. Regrease	M/R Upper Brg. Regrease	300 Airframe Hours	6411.60	6711.60	65.50 Hours
General	Fan Support Brg. Regrease	Fan Support Brg. Regrease	1200 Airframe Hours	5513.60	6713.60	67.50 Hours
General	Fan Pitch Brg. Regrease	Fan Pitch Brg. Regrease	1200 Airframe Hours	5513.60	6713.60	67.50 Hours
General	Fan Pitch Brg. Retainer Insp.	Fan Pitch Brg. Retainer Insp.	1200 Airframe Hours	5513.70	6713.70	67.60 Hours
General	150 Hour Eng. Insp.	150 Hour Eng. Insp.	150 Engine1 Hours	6295.40	6445.40	85.80 Hours
Airframe Inspection	ICA Lead Acid Battery	STC# SR01564LA	600 Airframe Hours	6218.40	6818.40	172.30 Hours
Limitation Note: Perform capacity test						
General	M/R Driveshaft Insp.	M/R Driveshaft Insp.	12 Months	04-02-2019	04-02-2020	94 Days
General	Fan Pitch Brg. Retainer Insp.	Fan Pitch Brg. Retainer Insp.	24 Months	04-16-2018	04-16-2020	108 Days
General	Fan Pitch Brg. Regrease	Fan Pitch Brg. Regrease	24 Months	04-16-2018	04-16-2020	108 Days
General	Fan Support Brg. Regrease	Fan Support Brg. Regrease	24 Months	04-16-2018	04-16-2020	108 Days
Airframe Inspection	ICA Lead Acid Battery	STC# SR01564LA	1 Years	05-30-2019	05-30-2020	152 Days
Limitation Note: Perform capacity test						
General	600 Hour Insp.	600 Hour Insp.	600 Airframe Hours	6411.60	7011.60	365.50 Hours
General	Fan Gearbox Oil	Fan Gearbox Oil	600 Airframe Hours	6411.60	7011.60	365.50 Hours
General	Cyclic Control Sys. Insp.	Cyclic Control Sys. Insp.	600 Airframe Hours	6411.60	7011.60	365.50 Hours



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General	Fan Clevis Insp.	Fan Clevis Insp.	600 Airframe Hours	6411.60	7011.60	365.50 Hours
General	Horizontal Stab. Mount Insp.	Horizontal Stab. Mount Insp.	1200 Airframe Hours	5879.90	7079.90	433.80 Hours
General	NOTAR Fan Insp.	NOTAR Fan Insp.	1200 Airframe Hours	5879.90	7079.90	433.80 Hours
General	Annual Insp.	Annual Insp.	12 Months	09-08-2019	09-08-2020	253 Days
General	Yearly Insp.	Yearly Insp.	12 Months	09-08-2019	09-08-2020	253 Days
General	600 Hour Insp.	600 Hour Insp.	12 Months	09-08-2019	09-08-2020	253 Days
General	Fan G/B Oil Change	Fan G/B Oil Change	12 Months	09-08-2019	09-08-2020	253 Days
General	Fwd & Ctr. Cable Insp.	Fwd & Ctr. Cable Insp.	12 Months	09-08-2019	09-08-2020	253 Days
General	ELT Test (91.207D)	ELT Test (91.207D)	12 Months	09-08-2019	09-08-2020	253 Days
Airframe Inspection	Full AD Audit		1 Years	09-08-2019	09-08-2020	253 Days

Limitation Note: Fully Audit all AD's and verify compliance, verify that there are no new AD's

Airframe Inspection	Upper Longeron Insp L153, R153		1200 Airframe Hours	5959.10	7159.10	513.00 Hours
General	Anti-Torque Fan Insp.	Anti-Torque Fan Insp.	24 Months	04-02-2019	04-02-2021	459 Days
General	Altimeter Insp. (91.411)	Altimeter Insp. (91.411)	24 Months	04-02-2019	04-02-2021	459 Days
General	Transponder Insp. (91.413)	Transponder Insp. (91.413)	24 Months	04-02-2019	04-02-2021	459 Days
General	M/R Swashplate Regrease	M/R Swashplate Regrease	24 Months	09-08-2019	09-08-2021	618 Days
General	M/R Upper Brg. Regrease	M/R Upper Brg. Regrease	24 Months	09-08-2019	09-08-2021	618 Days
General	M/R Lower Brg. Regrease	M/R Lower Brg. Regrease	24 Months	09-08-2019	09-08-2021	618 Days
General	M/R Lower Brg. Regrease	M/R Lower Brg. Regrease	2700 Airframe Hours	6411.60	9111.60	2465.50 Hours
General	M/R Swashplate Regrease	M/R Swashplate Regrease	2700 Airframe Hours	6411.60	9111.60	2465.50 Hours
General	ELT Battery	ELT Battery	0 Months	10-25-2017	03-29-2024	1551 Days
General	Lower Longeron Insp.	Lower Longeron Insp.	15000 Airframe Hours	0.00	15000.00	8353.90 Hours

Components

Part No.	Description	Serial No.	Life At Install	Period	Last Done	Next Due	Remaining
250-C47M	Engine	CAE847874	0.00	On Condition	N/A	On Condition	N/A
23078029	HMMU	JGALM0445	0.00	2500 Engine1 Hours	4256.40	6756.40	396.80
23063354	Turbine Assy.	CAT-44428	0.00	2000 Engine1 Hours	5835.10	7835.10	1475.50
M250-10227	1st Stage Wheel	X824923	0.00	2025 Engine1 Hours	5835.10	7860.10	1500.50
M250-10227	1st Stage Wheel	X824923	0.00	3000 Airframe Cycles	4961.00	7961.00	2570.00 Cycles
M250-10658	2nd Stage Wheel	X658164	0.00	2025 Engine1 Hours	5835.10	7860.10	1500.50
M250-10658	2nd Stage Wheel	X658164	0.00	3000 Airframe Cycles	4961.00	7961.00	2570.00 Cycles
6868663	3rd Stage Wheel	HX92274	1596.10	4550 Engine1 Hours	5835.10	8789.00	2429.40
6868663	3rd Stage Wheel	HX92274	2933.00	6000 Airframe Cycles	4961.00	8028.00	2637.00 Cycles
23066744	4th Stage Wheel	HX74262	0.00	4550 Engine1 Hours	5835.10	10385.10	4025.50
23066744	4th Stage Wheel	HX74262	0.00	6000 Airframe Cycles	4961.00	10961.00	5570.00 Cycles
m250-10604	Fuel Nozzle	AG56846	0.00	2000 Engine1 Hours	5363.20	7363.20	1003.60
23073353	Bleed Valve	FF326070	0.00	1500 Engine1 Hours	4949.60	6449.60	90.00 Hours
23065593	Compressor 2000hr Inspection	CAC-44705	0.00	2000 Engine1 Hours	5298.90	7298.90	939.30
23065591	Impeller	JY106977	1971.20	7500 Engine1 Hours	5298.90	10827.70	4468.10
23065591	Impeller	JY106977	1595.00	15000 Airframe Cycles	4544.00	17949.00	12558.00 Cycles
23066745	Accessory GBX.	CAG-47874	0.00	On Condition	N/A	On Condition	N/A
23070259	FADEC	JG8LW0069	0.00	On Condition	N/A	On Condition	N/A

Airframe Lived Components

Part No.	Description	Serial No.	Life At Install	Period	Last Done	Next Due	Remaining
600N7330-3 (CH)	M/R Swashplate (Overhaul)	009999-E108	0.00	2700 Airframe Hours	5351.00	8051.00	1404.90 Hours OH



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500N5364-3	Fan Support Bearing (Retire)	062355-0700	0.00	2400 Airframe Hours	4748.30	7148.30	502.20 Hours
500N7120-3	Pitch Plate Bearing (Retire)	062355-0579	0.00	2400 Airframe Hours	4748.30	7148.30	502.20 Hours
500N5363-7	Pitch Plate Assy.	008158-0190	0.00	7500 Airframe Hours	0.00	7500.00	853.90 Hours
500N5311-5 (R)	Tension-Torsion Strap (Retire)	n/a	0.00	5 Years	03-29-2019	03-29-2024	1551.00 Days R
528-029-00	Onboard Cargo Hook	01560	0.00	1 Years	02-11-2019	02-11-2020	43.00 Days
528-029-00 (CH)	Onboard Cargo Hook	01560	0.00	1000 Hook hours	147.50	1147.50	684.90 Hours OH
500N5215 (CH)	Drive Shaft, Kaflex	1038	0.00	10 Years	05-27-2016	05-27-2026	2340.00 Days OH
500N5215 (CH)	Drive Shaft, Kaflex	1313	0.00	10 Years	05-27-2016	05-27-2026	2340.00 Days OH
369C25501-9 (CH)	Drive Shaft, Coupling (Kaflex)	4677	0.00	10 Years	07-21-2002	12-31-2020	367.00 Days OH
369C25501-9	Drive Shaft, Coupling (Kaflex)	4700	0.00	10 Years	07-21-2002	12-31-2020	367.00 Days OH
500N5200 (R)	Drive Shaft, Fan	6084-N265	0.00	1200 Airframe Hours	6581.90	7781.90	1135.80 Hours R
500N5200 (R)	Drive Shaft, Fan	6084-N265	0.00	1000000 FAN D/S RINS	5529824.20	6529824.20	943676.40 RINS R
Kannad	ELT Battery	n/a	0.00	5 Years	10-25-2017	03-31-2024	1553.00 Days
RG824 (CC)	Airframe Battery	40913351	0.00	On Condition	N/A	On Condition	N/A OC
500N5357-13	Shaft, Notar Fan Sup.	5646-0004	0.00	4000 Airframe Hours	3975.90	7975.90	1328.00 Hours
600N3950-3	Torque Tube, Horiz	5009-0229	0.00	1000 Airframe Hours	5879.90	6879.90	233.80 Hours
600N3950-3	Torque Tube, Horiz	5009-0234	0.00	1000 Airframe Hours	5879.90	6879.90	233.80 Hours
369F5456-1	Overrunning Clutch Sprag (Retire)	1464	0.00	1800 Airframe Hours	6579.30	8379.30	1733.20 Hours
600N1200-503 (CH)	M/R Hub Assembly (Overhaul)	009999-0046	0.00	2700 Airframe Hours	5351.00	8051.00	1404.90 OH
369F5100-503M	M/R Transmission Assembly	005570-0079	0.00	3000 Airframe Hours	6601.60	9601.60	2955.50 Hours
369D28550	Starter / Generator (Overhaul)	S00101	0.00	1200 Airframe Hours	6258.30	7458.30	812.20 Hours
500P2300-505 (R)	Blade Assy, Main Rotor	269U	0.00	3200 Airframe Hours	5814.50	9014.50	2368.40 Hours R
500P2300-505 (R)	Blade Assy, Main Rotor	269U	0.00	1000000 Blade RINS	1840016.00	2840016.00	725128.00 RINS R
500P2300-505 (R)	Blade Assy, Main Rotor	257U	0.00	3200 Airframe Hours	5814.50	9014.50	2368.40 Hours R
500P2300-505 (R)	Blade Assy, Main Rotor	257U	0.00	1000000 Blade RINS	1840016.00	2840016.00	725128.00 RINS R
500P2300-505 (R)	Blade Assy, Main Rotor	265U	0.00	3200 Airframe Hours	5814.50	9014.50	2368.40 Hours R
500P2300-505 (R)	Blade Assy, Main Rotor	265U	0.00	1000000 Blade RINS	1840016.00	2840016.00	725128.00 R
500P2300-505 (R)	Blade Assy, Main Rotor	266U	0.00	3200 Airframe Hours	5814.50	9014.50	2368.40 Hours R
500P2300-505 (R)	Blade Assy, Main Rotor	266U	0.00	1000000 Blade RINS	1840016.00	2840016.00	725128.00 R
500P2300-505 (R)	Blade Assy, Main Rotor	267U	0.00	3200 Airframe Hours	5814.50	9014.50	2368.40 Hours R
500P2300-505 (R)	Blade Assy, Main Rotor	267U	0.00	1000000 Blade RINS	1840016.00	2840016.00	725128.00 R
500P2300-505 (R)	Blade Assy, Main Rotor	268U	0.00	3200 Airframe Hours	5814.50	9014.50	2368.40 Hours R
500P2300-505 (R)	Blade Assy, Main Rotor	268U	0.00	1000000 Blade RINS	1840016.00	2840016.00	725128.00 R
600N3500-511	Tailboom Assy.	6040-0021	0.00	6000 Airframe Hours	5959.10	11959.10	5313.00 Hours
MH55482-0H16 (R)	Tailboom Bolts	na	0.00	300 Airframe Hours	6411.60	6711.60	85.50 Hours R
368A1004-5	Folding Pin, M/R Blade	009884-9557	0.00	7600 Airframe Hours	0.00	7600.00	953.90 Hours
368A1004-5	Folding Pin, M/R Blade	009884-9538	0.00	7600 Airframe Hours	0.00	7600.00	953.90 Hours
368A1004-5	Folding Pin, M/R Blade	009884-9555	0.00	7600 Airframe Hours	0.00	7600.00	953.90 Hours
368A1004-5	Folding Pin, M/R Blade	009884-9605	0.00	7600 Airframe Hours	0.00	7600.00	953.90 Hours
368A1004-5	Folding Pin, M/R Blade	009884-9533	0.00	7600 Airframe Hours	0.00	7600.00	953.90 Hours
368A1004-5	Folding Pin, M/R Blade	009884-9606	0.00	7600 Airframe Hours	0.00	7600.00	953.90 Hours
368A1004-5	Folding Pin, M/R Blade	009884-9547	0.00	7600 Airframe Hours	0.00	7600.00	953.90 Hours
368A1004-5	Folding Pin, M/R Blade	009884-9546	0.00	7600 Airframe Hours	0.00	7600.00	953.90 Hours
368A1004-5	Folding Pin, M/R Blade	009884-9535	0.00	7600 Airframe Hours	0.00	7600.00	953.90 Hours
368A1004-5	Folding Pin, M/R Blade	009884-9558	0.00	7600 Airframe Hours	0.00	7600.00	953.90 Hours



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369A1004-5	Folding Pin, M/R Blade	009884-9637	0.00	7600 Airframe Hours	0.00	7600.00	953.90 Hours
369A1004-5	Folding Pin, M/R Blade	009884-9603	0.00	7600 Airframe Hours	0.00	7600.00	953.90 Hours
500NS310-19	Blade Assy, Notar Fan	003348-2372	0.00	12500 Airframe Hours	0.00	12500.00	5853.90 Hours
500NS310-19	Blade Assy, Notar Fan	003348-2387	0.00	12500 Airframe Hours	0.00	12500.00	5853.90 Hours
500NS310-19	Blade Assy, Notar Fan	003348-2504	0.00	12500 Airframe Hours	0.00	12500.00	5853.90 Hours
500NS310-19	Blade Assy, Notar Fan	003348-2509	0.00	12500 Airframe Hours	0.00	12500.00	5853.90 Hours
500NS310-19	Blade Assy, Notar Fan	003348-2458	0.00	12500 Airframe Hours	0.00	12500.00	5853.90 Hours
500NS310-19	Blade Assy, Notar Fan	003348-2314	0.00	12500 Airframe Hours	0.00	12500.00	5853.90 Hours
500NS310-19	Blade Assy, Notar Fan	003348-2419	0.00	12500 Airframe Hours	0.00	12500.00	5853.90 Hours
500NS310-19	Blade Assy, Notar Fan	003348-2369	0.00	12500 Airframe Hours	0.00	12500.00	5853.90 Hours
500NS310-19	Blade Assy, Notar Fan	003348-2259	0.00	12500 Airframe Hours	0.00	12500.00	5853.90 Hours
500NS310-19	Blade Assy, Notar Fan	003348-2240	0.00	12500 Airframe Hours	0.00	12500.00	5853.90 Hours
500NS310-19	Blade Assy, Notar Fan	003348-2425	0.00	12500 Airframe Hours	0.00	12500.00	5853.90 Hours
500NS310-19	Blade Assy, Notar Fan	003348-2420	0.00	12500 Airframe Hours	0.00	12500.00	5853.90 Hours
500NS310-19	Blade Assy, Notar Fan	003348-2358	0.00	12500 Airframe Hours	0.00	12500.00	5853.90 Hours
366D22014-501	Mast Assy, M/R	7604-2931	0.00	3500 Airframe Hours	3312.50	9812.50	166.40 Hours
369D21255-3	Thrust Bearing Cup Upper.	2654	0.00	600 Airframe Hours	6411.60	7011.60	365.50 Hours
369D21254-3	Thrust Bearing Cone Upper.	5837-2602	0.00	600 Airframe Hours	6411.60	7011.60	365.50 Hours
369H5655-3, -5	Oil Cooler Blower Bearings	7078 & 7480	0.00	1200 Airframe Hours	6125.30	7325.30	679.20 Hours
93920219	Belt	na	0.00	1200 Airframe Hours	6125.30	7325.30	679.20 Hours
500NS740-61	Rotating Cone Assy.	009999-0150	3156.00	10000 Airframe Hours	6124.70	12968.70	6322.60 Hours
369D21267 (R)	Thrust Bearing Cup Lower	5837-0218	1781.90	5400 Airframe Hours	5351.00	8969.10	2323.00 Hours R
369D21256	Thrust Bearing Cone Lower	5837-0081	1781.90	5400 Airframe Hours	5351.00	8969.10	2323.00 Hours
369D21210-501	Retension Strap, M/R	5145-Y162	0.00	2770 Airframe Hours	5351.00	8121.00	1474.90 Hours
369D21210-501	Retension Strap, M/R	5145-Y668	0.00	2770 Airframe Hours	5351.00	8121.00	1474.90 Hours
369D21210-501	Retension Strap, M/R	5145-Y669	0.00	2770 Airframe Hours	5351.00	8121.00	1474.90 Hours
369D21210-501 (R)	Retension Strap, M/R	5145-Y670	0.00	2770 Airframe Hours	5351.00	8121.00	1474.90 Hours R
369D21210-501 (R)	Retension Strap, M/R	5145-Y671	0.00	2770 Airframe Hours	5351.00	8121.00	1474.90 Hours R
369D21210-501 (R)	Retension Strap, M/R	5145-Y672	0.00	2770 Airframe Hours	5351.00	8121.00	1474.90 Hours R
500NS552-9	Hub, Fan	000038-0213	0.00	7500 Airframe Hours	0.00	7500.00	853.90 Hours
369D21220	Lead Lag Bolt	5787-3526	0.00	5400 Airframe Hours	5351.00	10751.00	4104.90 Hours
369D21220 (R)	Lead Lag Bolt	5787-3526	0.00	1000000 LL Bolt RINS	891081.00	1891081.00	742788.70 RINS R
369D21220	Lead Lag Bolt	5787-3543	0.00	5400 Airframe Hours	5351.00	10751.00	4104.90 Hours
369D21220 (R)	Lead Lag Bolt	5787-3543	0.00	1000000 LL Bolt RINS	891081.00	1891081.00	742788.70 RINS R
369D21220	Lead Lag Bolt	5787-3556	0.00	5400 Airframe Hours	5351.00	10751.00	4104.90 Hours
369D21220 (R)	Lead Lag Bolt	5787-3556	0.00	1000000 LL Bolt RINS	891081.00	1891081.00	742788.70 RINS R
369D21220	Lead Lag Bolt	5787-3586	0.00	5400 Airframe Hours	5351.00	10751.00	4104.90 Hours
369D21220 (R)	Lead Lag Bolt	5787-3586	0.00	1000000 LL Bolt RINS	891081.00	1891081.00	742788.70 RINS R
369D21220	Lead Lag Bolt	5787-3597	0.00	5400 Airframe Hours	5351.00	10751.00	4104.90 Hours
369D21220 (R)	Lead Lag Bolt	5787-3597	0.00	1000000 LL Bolt RINS	891081.00	1891081.00	742788.70 RINS R
369D21220	Lead Lag Bolt	5787-3600	0.00	5400 Airframe Hours	5351.00	10751.00	4104.90 Hours
369D21220 (R)	Lead Lag Bolt	5787-3600	0.00	1000000 LL Bolt RINS	891081.00	1891081.00	742788.70 RINS R
369H1203-51	Lead Lag Link	5432-j151	1781.90	11080 Airframe Hours	5351.00	14649.10	8003.00 Hours
369H1203-51	Lead Lag Link	5432-j171	1781.90	11080 Airframe Hours	5351.00	14649.10	8003.00 Hours
369H1203-51	Lead Lag Link	5432-317	1781.90	11080 Airframe Hours	5351.00	14649.10	8003.00 Hours



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# Maintenance Tracking Report

AIRCRAFT REGISTRATION:

N745MB DATE: 12-23-2019 PAGE NO: 6

369H1203-51	Lead Lag Link	5432-j335	1781.90	11080 Airframe Hours	5351.00	14649.10	8003.00 Hours
369H1203-51	Lead Lag Link	5432-j339	1781.90	11080 Airframe Hours	5351.00	14649.10	8003.00 Hours
369H1203-51	Lead Lag Link	5432-j341	1781.90	11080 Airframe Hours	5351.00	14649.10	8003.00 Hours
369H1203-51	Lead Lag Link	5432-j352	1781.90	11080 Airframe Hours	5351.00	14649.10	8003.00 Hours
369H1203-51	Lead Lag Link	5432-j354	1781.90	11080 Airframe Hours	5351.00	14649.10	8003.00 Hours
369H1203-51	Lead Lag Link	5432-j363	1781.90	11080 Airframe Hours	5351.00	14649.10	8003.00 Hours
369H1203-51	Lead Lag Link	5432-j375	1781.90	11080 Airframe Hours	5351.00	14649.10	8003.00 Hours
369H1203-51	Lead Lag Link	5432-j376	1781.90	11080 Airframe Hours	5351.00	14649.10	8003.00 Hours
369H1203-51	Lead Lag Link	5432-4449	0.00	11080 Airframe Hours	5351.00	16431.00	9784.90 Hours
600N5510-1	M/R Drive Shaft (Retire)	000038-0151	0.00	14000 Airframe Hours	0.00	14000.00	7353.90 Hours
600N5510-1 (R)	M/R Drive Shaft (Retire)	000038-0151	0.00	1000000 M/R DIS RINS	0.00	1000000.00	536256.00 RINS R
369D21400-503	M/R Dampner	005437-22782	0.00	On Condition	N/A	On Condition	N/A
369D21400-503	M/R Dampner	005437-22736	0.00	On Condition	N/A	On Condition	N/A
369D21400-503	M/R Dampner	005437-22677	0.00	On Condition	N/A	On Condition	N/A
369D21400-503	M/R Dampner	005437-22723	0.00	On Condition	N/A	On Condition	N/A
369D21400-503	M/R Dampner	005437-22837	0.00	On Condition	N/A	On Condition	N/A
369D21400-503	M/R Dampner	005437-22800	0.00	On Condition	N/A	On Condition	N/A
500N3900-11	Horiz. Stab. Assy.	009999-0221	0.00	On Condition	N/A	On Condition	N/A
500N5400	Notar Transmission	005570-0081	0.00	On Condition	N/A	On Condition	N/A

ADs

Types	Subject	AD Number	Based On	Period	Warning	Last Done	Next Due	Remaining
Repetitive ADs	148:AD MR Blade Crack Inspection	2019-05-04	Airframe Hours	100	20 Hours	6581.90	6681.90	35.80
Repetitive ADs	144:AD TT-Straps	2013-03-03	Date (Years)	5	6 Months	03-29-2019	03-29-2024	1551
Repetitive ADs	142:AD TOT calibration	2000-08-22	Airframe Hours	300	20 Hours	6411.60	6711.60	65.50



## N810LA Helicopter Lease Agreement

This Helicopter Lease Agreement (this “**Agreement**”) is made this January 10, 2020 and effective January 1, 2020 (the “**Effective Date**”), by and between Cobra Aviation Services LLC, a Delaware limited liability company (“**Lessor**”) and Brim Equipment Leasing LLC, an Oregon limited liability company (“**Lessee**”). Each of Lessor and Lessee is sometimes hereinafter referred to as a “**Party**” and collectively as the “**Parties**” as the context requires.

WHEREAS, Lessor owns that certain MCDONNELL DOUGLAS HELICOPTER model 600N helicopter, bearing United States Registration Number N810LA, manufacturer’s serial number RN044, with one ROLLS ROYCE (formerly Allison) model 250-C47M engine bearing manufacturer’s serial number CAE-847851 (described on the International Registry Manufactures’ List as model 250-C47, serial number 847851), and any appliances, components, parts, instruments, appurtenances, accessories, furnishings or other equipment of whatever nature (other than the engine or complete engines) which may from time to time be incorporated or installed in or attached to the airframe or any engine and includes replacement thereof (the “**Helicopter**”); and

WHEREAS, Lessor desires to lease the Helicopter to Lessee and Lessee desires to lease the Helicopter from Lessor.

NOW THEREFORE, in consideration of the mutual covenants and promises hereinafter set forth, the Parties agree as follow:

1. Grant of Lease; Term. Subject to the terms and conditions set forth herein, Lessor hereby leases the Helicopter to Lessee and Lessee hereby leases the Helicopter from Lessor. The term of this Agreement shall begin on the date hereof and shall continue in effect for five (5) years, unless earlier terminated as provided herein. Each of Lessor and Lessee shall have the right to terminate this Agreement upon one hundred twenty (120) days’ written notice to the other party for any or no reason, provided, however, that in the event the Helicopter has been committed to providing service for any customer of Lessee or any other third party, any notice of termination by Lessor with respect to such Helicopter shall not take effect until the termination of such commitment. This Agreement may also be terminated for cause in the case of an uncured Event of Default as described in Section 10 below, and shall terminate immediately and automatically without notice from either Party upon Lessee’s suspension, revocation or surrender of any of its Part 133, 135, or 137 Certificates.

2. Delivery Condition; Acceptance; Valuation. Lessee and Lessor acknowledge and agree that the Helicopter has been delivered to Lessee in an Airworthy Condition, with a current “Annual Inspection” and “100 Hour Inspection.” Lessor and Lessee further acknowledge and agree as to the Summary of MD 600 Component Information (the “**Component Summary**”) set forth in Exhibit A attached hereto, and to the total valuation of those certain key components of the Helicopter described in the Component Summary at the time of delivery as set forth in such Exhibit A (the “**Delivery Component Value**”). In further evidence of support, the maintenance records underpinning the Delivery Component Value is set forth in Exhibit E attached hereto.

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3. Use. Lessee shall use the Helicopter in a safe and appropriate manner and shall comply with and conform to all national, state, municipal, and other laws, ordinances and regulations in any way relating to the possession, use or maintenance of the Helicopter.

4. Maintenance and Repair. Lessee shall, at its own cost and expense, repair and maintain the Helicopter so as to keep it in good working order and operating condition during the term of this Agreement, including paying for: (i) any and all pre-flight and post-flight inspections and/or recurring inspections and scheduled and/or non-scheduled maintenance, and (ii) all inspections and other maintenance necessary for the Helicopter's operation under 14 CFR Parts 91, 133, 135, and 137. Except as otherwise provided below in this Section 4, Lessee shall be responsible for any damage or repair to the Helicopter which is caused or made necessary during the term of this Agreement while the Helicopter is under Lessee's, or its employees', agents', or representatives' control. However, notwithstanding the foregoing provisions of this Section 4, Lessor shall be responsible for the cost of parts and labor to comply with non-recurring mandatory Airworthiness Directives and Service Bulletins.

5. Rental Rate. Lessee shall pay to Lessor the Aircraft Rental Rate set forth on Exhibit B attached hereto (the "Aircraft Rental Rate"). Within 20 days after the end of each month during the term of this Agreement, Lessee shall deliver to Lessor: (a) a reasonably detailed accounting statement (each, a "Monthly Statement") setting forth the amounts payable during the previous month pursuant to this Agreement; and (b) the amount, if any, payable as set forth on such Monthly Statement. Within 10 days after Lessor's receipt of any Monthly Statement showing an amount payable, Lessee shall remit such payment to Lessor.

It is understood by the Parties hereto that Lessee shall make every reasonable commercial effort to make timely payments to Lessor, and that the foregoing payment terms are not a waiver of Lessor's right to ultimately receive payment from Lessee for work properly performed under this Agreement. Lessee will not be considered in default under this Agreement if it is in compliance with any of the payment terms set forth in this paragraph.

If full payment of an overdue amount is not made by Lessee to Lessor within thirty (30) days after Lessor's receipt of any Monthly Statement, Lessor shall have the right at that time to terminate this Agreement, and Lessee will then be required to make arrangements for, and pay the cost of, return of the Helicopter to Lessor. Nothing in the foregoing sentence shall be construed as a waiver of Lessee's obligation to pay the Aircraft Rental Rate.

6. Responsibilities and Fees.

- (a) Lessor shall be responsible only for the following expenses related to the use of the Helicopter:
  - (i) Payment of all debt service, license and federal, state and local registration fees;
  - (ii) Any applicable property taxes due for the ownership and operation of the Helicopter; and

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- (iii) The cost of parts and labor to comply with non-recurring mandatory Airworthiness Directives and non-recurring mandatory Service Bulletins.
- (b) Lessee shall be responsible for all other expenses, including but not limited to the following:
  - (i) Hangar storage;
  - (ii) Insurance on the Helicopter, as described in Section 8, below;
  - (iii) Fuel and regular operating oil; and
  - (iv) maintenance required (A) on account of accident, foreign object damage or misuse of the Helicopter or (B) all pre-flight and post-flight inspections and/or recurring inspections and scheduled and/or non-scheduled maintenance, and (C) all inspections and other maintenance necessary for the Helicopter's operation under 14 CFR Parts 133, 135, and 137.

7. Surrender. Upon the expiration of this Agreement, Lessee shall return the Helicopter to Lessor in good repair, condition and mechanical working order and unless otherwise provided for herein shall pay for all parts, mechanisms, devices, or materials required to make it so at the time of surrender, ordinary wear and tear resulting from proper use thereof excepted, by delivering the Helicopter, at Lessee's cost and expense, to a specified mutually agreeable location in the contiguous 48 United States.

Additionally, the total valuation of the key components of the Helicopter used to determine the Delivery Component Value will be determined as of the date of surrender (the "**Surrender Component Value**"), by referencing Lessee's maintenance records and utilizing the baseline values set forth in the Component Summary. If the Surrender Component Value exceeds the Delivery Component Value, Lessor will promptly pay to Lessee the difference between the Surrender Component Value and the Delivery Component Value, and conversely, if the Delivery Component Value exceeds the Surrender Component Value, Lessee will promptly pay to Lessor the difference between the Delivery Component Value and the Surrender Component Value. For illustrative purposes only, an example of the process described in this paragraph is attached hereto as Exhibit C (providing an example where Lessee pays Lessor) and Exhibit D (providing an example where Lessor pays Lessee).

8. Insurance. Lessee shall procure and continuously maintain insurance for all risk against loss of, or damage to, the Helicopter, and shall procure and continuously maintain liability and any other applicable property damage insurance. A copy of the coverages/policies maintained by Lessee has been provided to Lessor, and Lessor hereby agrees that such coverage is acceptable. Lessee shall provide reasonable evidence of such policy on an annual basis. Such policy shall name Lessor as additionally insured and shall also name Lessor as a loss

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If to Lessee: Brim Equipment Leasing LLC  
Attention: Julie Brim, President  
Physical Address: 445 Dead Indian Memorial Rd,  
Ashland, OR 97520  
Mailing Address: PO Box 3009, Ashland, OR  
97520  
Email: [Julie@brimaviation.com](mailto:Julie@brimaviation.com)

with a copy to Wexford Capital LP  
411 West Putman Ave.  
Greenwich, CT 06830  
Attn: Legal  
Email: [legal@wexford.com](mailto:legal@wexford.com)

If to Lessor: Cobra Aviation Services LLC  
Mark Layton  
Chief Financial Officer  
14201 Caliber Drive, Suite 300  
Oklahoma City, OK 73134  
Phone: 405.563.9961  
Email: [mlayton@mammothenergy.com](mailto:mlayton@mammothenergy.com)

With a copy to: J. Matthew Thompson  
Senior Counsel  
14201 Caliber Drive, Suite 300  
Oklahoma City, OK 73134  
Phone: 405.286.2077  
Email: [matt.thompson@mammothenergy.com](mailto:matt.thompson@mammothenergy.com)

With a copy to: McAfee & Taft A Professional Corporation  
Scott D. McCreary / John R. Chubbuck  
10th Floor, Two Leadership Square  
211 N Robinson  
Oklahoma City OK 73102-7103  
Phone: 405.235.9621  
Email: [Scott.mccreary@mcafeetaft.com](mailto:Scott.mccreary@mcafeetaft.com)  
Email: [john.chubbuck@mcafeetaft.com](mailto:john.chubbuck@mcafeetaft.com)

or to such other address and person as shall be designated from time to time by Lessee or Lessor, as the case may be, in a written notice to the other in the manner provided for in this Section 12. The notice shall be deemed to have been given at the time of delivery if hand-delivered, or on the next business day after transmission if sent by confirmed facsimile, or in the case of registered or certified mail, on the third business day after deposit in the United States mail, or if by expedited delivery, upon the first attempted delivery on a business day. A Party receiving notice which



does not comply with the technical requirements for notice under this Section 12 may elect to waive any deficiencies and treat the notice as having been properly given.

13. Representations and Warranties of Lessee. Lessee represents and warrants as of the date hereof and during the entire term of this Agreement as follows:

(a) Lessee is a validly organized limited liability company under the laws of the State of Oregon, and the person executing on behalf of Lessee has full power and authority to execute this Agreement on behalf of Lessee and by such execution shall bind Lessee under this Agreement.

(b) No action, suit, or proceeding is currently pending or threatened against Lessee which shall in any material way affect Lessee's financial status as of the date thereof, or impair the execution, delivery, or performance by Lessee of this Agreement.

(c) The execution and delivery of this Agreement by Lessee and the performance of its obligations hereunder have been duly authorized by all necessary corporate or limited liability company action, and do not conflict with any provision of Lessee's articles of organization, bylaws, operating agreement, any governmental regulations, or any other agreements that Lessee may now have with other parties.

(d) Lessee is not subject to any restriction, which with or without the giving of notice, the passage of time, or both, prohibits or would be violated by or be in conflict with this Agreement.

(e) Lessee will not permit the Helicopter to be operated in any unsafe manner or contrary to any manual or instructions for the Helicopter or in material violation of the terms or conditions of any insurance policy covering the Helicopter or any applicable statute, regulation, ordinance, or other law.

14. Representations and Warranties of Lessor. Lessor represents and warrants as of the date hereof and during the entire term of this Agreement as follows:

(a) Lessor is a validly organized limited liability company under the laws of the State of Delaware, and has full power and authority to execute this Agreement on behalf of Lessor and by such execution shall bind Lessor under this Agreement.

(b) No action, suit, or proceeding is currently pending or threatened against Lessor which shall in any material way affect Lessor's financial status as of the date thereof, or impair the execution, delivery, or performance by Lessor of this Agreement.

(c) The execution and delivery of this Agreement by Lessor and the performance of its obligations hereunder have been duly authorized by all necessary corporate or limited liability company action, and do not conflict with any provision of Lessor's articles of organization, bylaws, operating agreement, any governmental regulations, or any other agreements that Lessee may now have with other parties.



(d) Lessor is not subject to any restriction, which with or without the giving of notice, the passage of time, or both, prohibits or would be violated by or be in conflict with this Agreement.

15. Assignment. Lessee shall not assign this Agreement or its interest in the Helicopter without prior written consent of Lessor. Any such attempted assignment shall be null and void.

16. Force Majeure. Non-performance of either Party shall be excused to the extent that performance is rendered impossible by acts of God, public enemies, war, civil disorder, labor disputes or strikes, fire, flood, explosion, governmental acts, orders or restrictions, or any other reason where failure to perform is beyond the control and not caused by the negligence of the non-conforming party.

17. Waiver. In no event shall any Party be liable for any claimed indirect, special, incidental, consequential or punitive damages, or for any damages consisting of damages for loss of use, revenue, profit, business opportunities and the like, even if the party had been advised of, or knew or should have known of, the possibility of such damages.

18. Governing Law. This Agreement has been delivered in the State of Delaware and shall in all respects be governed by, and construed in accordance with, the laws of the State of Delaware including all matters of construction, validity and performance, without giving effect to its conflict of laws provisions.

19. Jurisdiction and Venue. Exclusive jurisdiction and venue over any and all disputes between the parties arising under this Agreement shall be in, and for such purpose each party hereby submits to the jurisdiction of, the state and federal courts serving the State of Oregon.

20. Severability. If any provision of this Agreement is or becomes illegal, invalid or void under any applicable state or federal law under which performance hereunder is required, such provision will be considered severable, and the remaining provisions hereof will not be impaired, and this Agreement will be interpreted as far as possible so as to give effect to its stated purpose.

21. Execution. This Agreement may be executed in counterparts, each of which will be considered an original and all of which together will constitute one and the same agreement. Facsimile or other electronically transmitted signatures of this Agreement will constitute original signatures. At the request of any party, the parties will confirm facsimile or other electronically transmitted signatures by signing an original document.

22. Further Assurances. Each Party agrees to execute and deliver such other documents and to do and perform such other acts and things as the other Party may reasonably request to carry out the intent and accomplish the purposes of this Agreement.

11/15/2017 10:00 AM



23. Exhibits. The Exhibits referenced in this Agreement are part of this Agreement as if fully set forth in this Agreement.

24. Entire Agreement. The Parties acknowledge that this Agreement is the complete and exclusive statement of the mutual understanding of the Parties with respect to the subject matter hereof and supersedes and cancels all conflicting terms and conditions and all previous and contemporaneous written and oral agreements and communications relating to such subject matter. This Agreement may not be modified or amended except by a written amendment which states that it is intended to amend this Agreement and is executed by a duly authorized representative of each Party. This Agreement will be construed without regard to any presumption or other rule requiring construction against the Party causing this Agreement to be drafted.

[signature page to follow]



IN WITNESS WHEREOF, the Parties hereto have executed this Agreement as of the day and year first above written.

LESSOR:



Cobra Aviation Services LLC

By: ARTY STRZEMEŁA

Title: CEO

LESSEE:



Brim Equipment Leasing LLC

By: JULIE BRIM

Title: PRESIDENT



**Exhibit A  
Component Summary; Delivery Component Value**

N810LA  
As of 12/31/2019

Summary of MD 600 Component Information										Delivery Component Value									
Description	Part Number	Term	Component Life		Cost			Last Done		Status		Next Due		Remaining		Key Component Value (2)		Total	
			Years	Hours	Total (1)	\$ / Day	\$ / Hour	Date	Hobbs	Days	Hours	Date	Hobbs	Days	Hours	Days	Hours		
Tension-Torsion Straps (Set)	500N311-3	Retire	5	-	\$25,000	\$13.70	-	03/19/18	-	287	-	03/19/21	-	1,540	-	\$21,096	-	\$21,096	
Drive Shaft, Kafex (Set)	500N3215	Retire	10	-	\$24,000	\$6.58	-	09/12/16	-	1,328	-	05/11/20	-	2,323	-	\$15,275	-	\$15,275	
M/R Transmission Assy	369F5100-507	Overhaul	-	3,000	\$90,000	-	\$30.00	-	1,596	-	350	-	4,906	-	2,650	-	\$78,506	\$79,506	
M/R Mast Assy	369C22014-501	Retire	-	3,500	\$30,000	-	\$8.57	-	454	-	1,946	-	3,500	-	1,354	-	\$13,321	\$13,321	
M/R Hub Assy	600W2200-503	Overhaul	-	2,700	\$70,000	-	\$25.93	-	1,599	-	1,000	-	3,648	-	1,700	-	\$44,077	\$44,077	
Blade Assy, Main Rotor (Set)	500P2300-505	Retire	-	3,200	\$85,000	-	\$26.56	-	1,704	-	242	-	4,504	-	2,958	-	\$78,561	\$78,561	
Tailboom Assy.	600V3500-509	Retire	-	5,900	\$80,000	-	\$13.56	-	623	-	1,392	-	8,454	-	4,500	-	\$68,769	\$68,769	
Fan Blade Assy (Set)	500N3310-23	Retire	-	12,500	\$20,000	-	\$1.60	-	1,595	-	350	-	14,096	-	12,150	-	\$19,440	\$19,440	
H/U	23078031	Overhaul	-	2,500	\$50,000	-	\$20.00	-	-	-	1,946	-	3,500	-	964	-	\$11,082	\$11,082	
Turbine Assy	23063354	Overhaul	-	2,000	\$130,000	-	\$65.00	-	1,597	-	349	-	3,997	-	1,651	-	\$107,309	\$107,309	
Compressor Inspection	23065593	Inspection	-	2,000	\$15,000	-	\$7.50	-	1,328	-	618	-	3,328	-	1,382	-	\$10,367	\$10,367	
Compressor Impeller	23065591	Retire	-	7,500	\$120,000	-	\$16.00	-	1,329	-	618	-	8,828	-	8,882	-	\$110,117	\$110,117	
																		\$26,291	

(1) Indicative current cost data provided by component vendors or OEM  
 (2) Key Component Value calculated by taking the days or hours remaining multiplied by the \$ / day or \$ / hour

**Exhibit B Aircraft  
Rental Amount**

**Aircraft Rental Rate: \$90 per each flight hour**

In determining the monthly Aircraft Rental Rate for the Helicopter, flight hours will be determined based on monthly average flight hours of all MD 600 aircraft (including the Helicopter) which are owned or leased in any particular month by Lessee (prorated for partial month ownership/leasing), and not on actual flight hours of solely the Helicopter.

For illustrative purposes only, the following examples are included:

*Example 1:* *In a particular month, Lessee owns or leases a total of four MD 600 aircraft, including the Helicopter.*

*The actual usage of each aircraft is as follows:*

*Helicopter = 50 flight hours  
Aircraft No. 2 = 100 flight hours  
Aircraft No. 3 = 90 flight hours  
Aircraft No. 4 = 0 flight hours*

*Average flight hour utilization per aircraft =  $(50 + 100 + 90 + 0) / 4 = 240 / 4 = 60$  flight hours*

***The Aircraft Rental Rate for the Helicopter for such month = 60 hours x \$90 = \$5,400***

*Example 2:* *In a particular month, Lessee owns or leases a total of four MD 600 aircraft, including the Helicopter.*

*The actual usage of each aircraft is as follows:*

*Helicopter = 0 flight hours  
Aircraft No. 2 = 100 flight hours  
Aircraft No. 3 = 100 flight hours  
Aircraft No. 4 = 0 flight hours*

*Average flight hour utilization per aircraft =  $(0 + 100 + 100 + 0) / 4 = 200 / 4 = 50$  flight hours*

***The Aircraft Rental Rate for the Helicopter for such month = 50 hours x \$90 = \$4,500***

1











**Exhibit E**  
**Run Sheets**





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## Maintenance Tracking Report

N810LA

Page No: 1

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### GENERAL DETAILS

Operator: Brim Aviation #1 Engine Type:  
Serial No: RN044  
A/C Type: MD 600N Serial No:  
Year: 0000-00-00  
Flight Manual Revision:  
Empty Weight (kg): 0.00

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### MAINTENANCE DETAILS

Date Of Values: 12-22-2019  
Airframe: 572.80 hours 3229.00 cycles (LDGS) 361.97 Hook hours  
Engine 1: 1945.90 hours 3229.00 Cycles  
Torque Events: 16314.00  
RINs: 19543.00

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# Maintenance Tracking Report

AIRCRAFT REGISTRATION:

N810LA

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## Inspection

Type	Inspection	Reference	Period	Last Done	Next Due	Remaining	
Airframe Inspection	ICA Onboard Systems hook Inspection	STC# SR008925E	100 Airframe Hours	1873.40	1973.40	27.50 Hours	
Limitation Note: Visually inspect hook, bumper, manual/electrical release cable for security, attachment, crack, damage, and corrosion. Move throughout full range of motion, and check for proper operation.							
General	100 Hour Insp.	100 Hour Insp.	100 Airframe Hours	1873.40	1973.40	27.50 Hours	
Airframe Inspection	ICA Wire Strike Kit	STC# SH1713SO	100 Airframe Hours	1873.40	1973.40	27.50 Hours	
Limitation Note: Inspect for condition and security of upper/cutter Assy/lower cutter Assy and blades for deformation, corrosion, nicks, and cracks. Inspect for surface finish deterioration and corrosion.							
Airframe Inspection	ICA Door Openers	STC# SH2735NM	100 Airframe Hours	1873.40	1973.40	27.50 Hours	
Limitation Note: Verify installation of safety clips, Door Fuselage Mount brackets: check fasteners for security, bracket condition, and operation of pneumatic cylinders							
Airframe Inspection	ICA Tech Tool Windows	STC# SR09192RC	100 Airframe Hours	1873.40	1973.40	27.50 Hours	
Limitation Note: Inspect for condition of glass, and slider for proper operation and attachment							
Airframe Inspection	ICA FDC Filter Kit	STC# SR00877SE	100 Airframe Hours	1873.40	1973.40	27.50 Hours	
Limitation Note: Visual inspection of filter element. Inspect, clean, and reoil elements as required. Inspect bypass air door, pressure sensing switch, and electrical connections. Inspect filter frame structure and hardware for cracks and general security							
Airframe Inspection	ICA Side Pull Kit	STC# SH5230NM	100 Airframe Hours	1873.40	1973.40	27.50 Hours	
Limitation Note: Ensure swivel block moves freely, roll pin is tight and straight							
Airframe Inspection	ICA Rapid Removal Door Hinges	STC# SR00409SE	100 Airframe Hours	1873.40	1973.40	27.50 Hours	
Limitation Note: Check for security of attachment, worn bushings, and proper operation of locking pins							
Airframe Inspection	ICA Skynode Data/Satcom	337 Dated 7/26/19	100 Airframe Hours	1873.40	1973.40	27.50 Hours	
Limitation Note: Check for security of attachment and condition of components							
Airframe Calendar	ICA PulseLite	Aero LED Installation Doc# 0003-0004	100 Airframe Hours	1873.40	1973.40	27.50 Hours	
Inspections							
Limitation Note: Overall inspection and two max faulty LED's							
General	Fan Support Brg. Regrease	Fan Support Brg. Regrease	24 Months	01-16-2018	01-16-2020	17 Days	
General	Fan Pitch Brg. Regrease	Fan Pitch Brg. Regrease	24 Months	01-16-2018	01-16-2020	17 Days	
General	M/R Swashplate Regrease	M/R Swashplate Regrease	24 Months	01-16-2018	01-16-2020	17 Days	
General	150 Hour Eng. Insp.	150 Hour Eng. Insp.	150 Engine1 Hours	1873.40	2023.40	77.50 Hours	
General	300 Hour Insp.	300 Hour Insp.	300 Airframe Hours	1879.60	2179.60	233.70 Hours	
General	300 Hour Eng. Insp.	300 Hour Eng. Insp.	300 Engine1 Hours	1879.60	2179.60	233.70 Hours	
General	M/R Upper Brg. Regrease	M/R Upper Brg. Regrease	300 Airframe Hours	1879.60	2179.60	233.70 Hours	
General	Fwd & Ctr. Cable Insp.	Fwd & Ctr. Cable Insp.	300 Airframe Hours	1879.60	2179.60	233.70 Hours	
General	600 Hour Insp.	600 Hour Insp.	600 Airframe Hours	1596.10	2196.10	250.20 Hours	
General	Cyclic Control Sys. Insp.	Cyclic Control Sys. Insp.	600 Airframe Hours	1596.10	2196.10	250.20 Hours	
General	Fan Clevis Insp.	Fan Clevis Insp.	600 Airframe Hours	1596.10	2196.10	250.20 Hours	
Airframe Inspection	ICA Lead Acid Battery	STC# SR01564LA	600 Airframe Hours	1596.10	2196.10	250.20 Hours	
Limitation Note: Perform capacity test							
General	Yearly Insp.	Yearly Insp.	12 Months	06-12-2019	06-12-2020	165 Days	
General	600 Hour Insp.	600 Hour Insp.	12 Months	06-12-2019	06-12-2020	165 Days	
General	Fen G/B Oil Change	Fen G/B Oil Change	12 Months	06-12-2019	06-12-2020	165 Days	
General	M/R Driveshaft Insp.	M/R Driveshaft Insp.	12 Months	06-12-2019	06-12-2020	165 Days	
General	ELT Test (91.207D)	ELT Test (91.207D)	12 Months	06-12-2019	06-12-2020	165 Days	
Airframe Inspection	ICA Lead Acid Battery	STC# SR01564LA	1 Years	06-12-2019	06-12-2020	165 Days	
Limitation Note: Perform capacity test							
ICA			Reference	Period	Last Done	Next Due	Remaining
Airframe Inspection	ICA Aspen EDF1000	Aspen installation manual Doc# A-01-126-00 REV H	1 Years	06-12-2019	06-12-2020	165 Days	
Limitation Note: Inspect connections and opps check							



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General	Annual Insp.	Annual Insp.		12 Months	07-26-2019	07-26-2020	209 Days
Airframe Inspection	Full AD Audit			1 Years	00-00-0000	07-26-2020	209 Days
Limitation Note: Fully audit all AD's and verify compliance, also verify that there are no new AD's							
Airframe Inspection	ICA Garmin GNS 40W	STC# SR02232LA		1 Years	08-30-2019	08-30-2020	244 Days
Limitation Note: Inspect connections and opps check							
General	Fan Pitch Brg. Retainer Insp.	Fan Pitch Brg. Retainer Insp.	1200 Airframe Hours		1311.40	2511.40	565.50 Hours
General	Fan Support Brg. Regrease	Fan Support Brg. Regrease	1200 Airframe Hours		1311.40	2511.40	565.50 Hours
General	Fan Pitch Brg. Regrease	Fan Pitch Brg. Regrease	1200 Airframe Hours		1311.40	2511.40	565.50 Hours
General	Fwd & Ctr. Cable Insp.	Fwd & Ctr. Cable Insp.		12 Months	11-01-2019	11-01-2020	307 Days
Airframe Inspection	Upper Longeron Insp L153, R153		1200 Airframe Hours		1596.10	2796.10	850.20 Hours
General	Horizontal Stab. Mount Insp.	Horizontal Stab. Mount Insp.	1200 Airframe Hours		1596.10	2796.10	850.20 Hours
General	NOTAR Fan Insp.	NOTAR Fan Insp.	1200 Airframe Hours		1596.10	2796.10	850.20 Hours
General	Anti-Torque Fan Insp.	Anti-Torque Fan Insp.		24 Months	06-12-2019	06-12-2021	530 Days
General	Fan Pitch Brg. Retainer Insp.	Fan Pitch Brg. Retainer Insp.		24 Months	06-12-2019	06-12-2021	530 Days
General	M/R Lower Brg. Regrease	M/R Lower Brg. Regrease		24 Months	06-12-2019	06-12-2021	530 Days
General	Allimeter Insp. (91.411)	Allimeter Insp. (91.411)		24 Months	07-23-2019	07-23-2021	571 Days
General	Transponder Insp. (91.413)	Transponder Insp. (91.413)		24 Months	07-23-2019	07-23-2021	571 Days
General	M/R Upper Brg. Regrease	M/R Upper Brg. Regrease		24 Months	11-01-2019	11-01-2021	672 Days
General	M/R Swashplate Regrease	M/R Swashplate Regrease	2700 Airframe Hours		1311.40	4011.40	2065.50 Hours
General	M/R Lower Brg. Regrease	M/R Lower Brg. Regrease	2700 Airframe Hours		1596.10	4296.10	2350.20 Hours
General	ELT Battery	ELT Battery		0 Months	06-12-2019	05-15-2025	1963 Days
General	Lower Longeron Insp.	Lower Longeron Insp.	15000 Airframe Hours		1596.10	16596.10	14650.20 Hours
<b>Components</b>							
Part No.	Description	Serial No.	Life At Install	Period	Last Done	Next Due	Remaining
250-C47M	Engine	CAE-847851	0.00	On Condition	N/A	On Condition	N/A
23063354	Turbine Assy.	-	-	2000 Engine1 Hours	-	-	- Hours
23077087	Fuel Nozzle	-	-	2000 Engine1 Hours	-	-	- Hours
23005366	Bleed Valve	-	-	1500 Engine1 Hours	-	-	- Hours
23078032 (CH)	HMU	JGALM0533	0.00	2500 Engine1 Hours	0.00	2500.00	554.10 Hours OH
<b>Airframe Lived Components</b>							
Part No.	Description	Serial No.	Life At Install	Period	Last Done	Next Due	Remaining
600N7630-3 (OH)	M/R Swashplate (Overhaul)	na	0.00	2700 Airframe Hours	0.00	2700.00	754.10 Hours OH
500N5364-3 (R)	Fan Support Bearing (Retire)	059150-0209	0.00	2400 Airframe Hours	0.00	2400.00	454.10 Hours R
500N7120-3 (R)	Pitch Plate Bearing (Retire)	062355-0119	0.00	2400 Airframe Hours	0.00	2400.00	454.10 Hours R
500N5363-7	Pitch Plate Assy.	008158-0092	0.00	7500 Airframe Hours	0.00	7500.00	5554.10 Hours
500N5311-6 (R)	Tension-Torsion Strap (Retire)	NA	0.00	5 Years	03-19-2019	03-19-2024	1541.00 Days R
528-029-00	Onboard Cargo Hook	00424	0.00	1000 Hook hours	145.00	1145.00	783.03 Hours
528-029-00	Onboard Cargo Hook	00424	0.00	1 Years	06-12-2019	06-12-2020	165.00 Days
500N5215 (OH)	Drive Shaft, Kaflex	0599	0.00	10 Years	05-12-2016	05-11-2026	2324.00 Days OH
500N5215 (CH)	Drive Shaft, Kaflex	0092	0.00	10 Years	05-12-2016	05-11-2026	2324.00 Days OH
369025501-8 (CH)	Drive Shaft, Coupling (Kaflex)	6224	0.00	10 Years	05-12-2016	05-11-2026	2324.00 Days OH
369025501-9 (CH)	Drive Shaft, Coupling (Kaflex)	6256	0.00	10 Years	05-12-2016	05-11-2026	2324.00 Days OH
500N5200 (R)	Drive Shaft, Fan	6084-N188	0.00	1200 Airframe Hours	1201.00	2401.00	455.10 Hours R
500N5200	Drive Shaft, Fan	6084-N188	0.00	1000000 FAN D/S RINS	934545.00	1934545.00	260639.80 RINS
0141823J (R)	ELT Battery	N/A	0.00	76 Months	11-19-2019	02-19-2026	2243.00 Days R



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Part Number	Description	Part Number	Quantity	Unit Cost	Condition	Hours	Cost	Hours	Cost
RG-624	Airframe Battery	41007401	0.00		On Condition	N/A		On Condition	N/A
500N5357-13	Shaft, Notar Fan Sup.	012053-0057	0.00		4000 Airframe Hours	0.00	4000.00	2054.10	Hours
600N3950-3 (R)	Torque Tube, Horiz	8564-0005	0.00		1000 Airframe Hours	1596.10	2596.10	650.20	Hours R
600N3950-3	Torque Tube, Horiz	8564-0003	0.00		1000 Airframe Hours	1596.10	2596.10	650.20	Hours
369F5450-5 (OH)	Overrunning Clutch	494	0.00		1800 Airframe Hours	454.10	2254.10	308.20	Hours OH
600N1200-503 (OH)	M/R Hub Assembly (Overhaul)	009999-0040	650.10		2700 Airframe Hours	1596.10	3646.00	1700.10	Hours OH
369F5100-507	M/R Transmission Assy.	005304-0284	0.00		3000 Airframe Hours	1596.10	4596.10	2650.20	Hours
369D28550	Starter / Generator (Overhaul)	S00065	264.10		1200 Airframe Hours	1749.20	2685.10	739.20	Hours
500P2300-505	Blade Assy, Main Rotor	646U	0.00		1000000 Blade RINS	615811.50	1615811.50	912931.50	
500P2300-505	Blade Assy, Main Rotor	646U	0.00		3200 Airframe Hours	1703.50	4903.50	2957.60	Hours
500P2300-505	Blade Assy, Main Rotor	647U	0.00		3200 Airframe Hours	1703.50	4903.50	2957.60	Hours
500P2300-505	Blade Assy, Main Rotor	647U	0.00		1000000 Blade RINS	615811.50	1615811.50	912931.50	RINS
500P2300-505	Blade Assy, Main Rotor	648U	0.00		3200 Airframe Hours	1703.50	4903.50	2957.60	Hours
500P2300-505	Blade Assy, Main Rotor	648U	0.00		1000000 Blade RINS	615811.50	1615811.50	912931.50	RINS
500P2300-505	Blade Assy, Main Rotor	649U	0.00		3200 Airframe Hours	1703.50	4903.50	2957.60	Hours
500P2300-505	Blade Assy, Main Rotor	649U	0.00		1000000 Blade RINS	615811.50	1615811.50	912931.50	RINS
500P2300-505	Blade Assy, Main Rotor	650U	0.00		3200 Airframe Hours	1703.50	4903.50	2957.60	Hours
500P2300-505	Blade Assy, Main Rotor	650U	0.00		1000000 Blade RINS	615811.50	1615811.50	912931.50	RINS
500P2300-505	Blade Assy, Main Rotor	651U	0.00		3200 Airframe Hours	1703.50	4903.50	2957.60	Hours
500P2300-505	Blade Assy, Main Rotor	651U	0.00		1000000 Blade RINS	615811.50	1615811.50	912931.50	RINS
600N3500-509	Tailboom Assy.	7604-0008	184.50		6000 Airframe Hours	638.60	6454.10	4508.20	Hours
MHS5462-6H18 (R)	Tailboom Bolts	N/A	0.00		300 Airframe Hours	1879.60	2179.60	233.70	Hours R
368X1004-5	Folding Pin, M/R Blade	B320	0.00		7600 Airframe Hours	454.10	8054.10	6108.20	Hours
368A1004-5	Folding Pin, M/R Blade	009884-B124	0.00		7600 Airframe Hours	454.10	8054.10	6108.20	Hours
368A1004-5	Folding Pin, M/R Blade	009884-B147	0.00		7600 Airframe Hours	454.10	8054.10	6108.20	Hours
368A1004-5	Folding Pin, M/R Blade	009884-B122	0.00		7600 Airframe Hours	454.10	8054.10	6108.20	Hours
368A1004-5	Folding Pin, M/R Blade	009884-B130	0.00		7600 Airframe Hours	454.10	8054.10	6108.20	Hours
368A1004-5	Folding Pin, M/R Blade	009884-B146	0.00		7600 Airframe Hours	454.10	8054.10	6108.20	Hours
368A1004-5	Folding Pin, M/R Blade	009884-B150	0.00		7600 Airframe Hours	454.10	8054.10	6108.20	Hours
368X1004-5	Folding Pin, M/R Blade	B447	0.00		7600 Airframe Hours	454.10	8054.10	6108.20	Hours
368X1004-5	Folding Pin, M/R Blade	B438	0.00		7600 Airframe Hours	454.10	8054.10	6108.20	Hours
368X1004-5	Folding Pin, M/R Blade	B484	0.00		7600 Airframe Hours	454.10	8054.10	6108.20	Hours
368X1004-5	Folding Pin, M/R Blade	B431	0.00		7600 Airframe Hours	454.10	8054.10	6108.20	Hours
368X1004-5	Folding Pin, M/R Blade	B317	0.00		7600 Airframe Hours	454.10	8054.10	6108.20	Hours
500N5310-23	Fan Blade Assembly	5146-0537	0.00		12500 Airframe Hours	1596.10	14096.10	12150.20	Hours
500N5310-23 (R)	Fan Blade Assembly	5146-0538	0.00		12500 Airframe Hours	1596.10	14096.10	12150.20	Hours R
500N5310-23 (R)	Fan Blade Assembly	5146-0539	0.00		12500 Airframe Hours	1596.10	14096.10	12150.20	Hours R
500N5310-23 (R)	Fan Blade Assembly	5146-0540	0.00		12500 Airframe Hours	1596.10	14096.10	12150.20	Hours R
500N5310-23 (R)	Fan Blade Assembly	5146-0528	0.00		12500 Airframe Hours	1596.10	14096.10	12150.20	Hours R
500N5310-23 (R)	Fan Blade Assembly	5146-0531	0.00		12500 Airframe Hours	1596.10	14096.10	12150.20	Hours R
500N5310-23 (R)	Fan Blade Assembly	5146-0530	0.00		12500 Airframe Hours	1596.10	14096.10	12150.20	Hours R
500N5310-23 (R)	Fan Blade Assembly	5146-0536	0.00		12500 Airframe Hours	1596.10	14096.10	12150.20	Hours R
500N5310-23 (R)	Fan Blade Assembly	5146-0524	0.00		12500 Airframe Hours	1596.10	14096.10	12150.20	Hours R
500N5310-23 (R)	Fan Blade Assembly	5146-0532	0.00		12500 Airframe Hours	1596.10	14096.10	12150.20	Hours R
500N5310-23 (R)	Fan Blade Assembly	5146-0533	0.00		12500 Airframe Hours	1596.10	14096.10	12150.20	Hours R



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Aircraft Reg	Part Description	Part No	Cost	Hours	12-22-2019	Page No	5
500N5310-23 (R)	Fan Blade Assembly	5146-0518	0.00	12500 Airframe Hours	1596.10	14096.10	12150.20 Hours R
500N5310-23 (R)	Fan Blade Assembly	5146-0525	0.00	12500 Airframe Hours	1596.10	14096.10	12150.20 Hours R
369D22014-501	Mast Assy, M/R	009999-2302	454.10	3500 Airframe Hours	454.10	3500.00	1554.10 Hours
369D21254 (R)	Upper Thrust Brg. Cone	TBD	0.00	600 Airframe Hours	1596.10	2196.10	250.20 Hours R
369D21255 (R)	Upper Thrust Brg. Cup	TBD	0.00	600 Airframe Hours	1596.10	2196.10	250.20 Hours R
369H5655-3, -5 (R)	Oil Cooler Blower Bearings	062355-7048 + 7569	729.00	1200 Airframe Hours	1741.60	2212.60	266.70 Hours R
938D219	Belt	N/A	0.00	1200 Airframe Hours	1741.60	2941.60	995.70 Hours
600N5510-1	M/R Drive Shaft (Retire)	5009-0197	35.30	14000 Airframe Hours	1596.10	15560.80	13614.90 Hours
600N5510-1	M/R Drive Shaft (Retire)	5009-0197	30086.00	1000000 M/R D/S RINS	121919.00	1091833.00	945596.00 RINS
500N3740-71	Rotating Cone Assy.	006040-0007	1153.50	10000 Airframe Hours	1596.10	10442.60	8496.70 Hours
369D21210-501	Retension Strap, M/R	5145-N406	650.10	2770 Airframe Hours	1596.10	3716.10	1770.10 Hours
369D21210-501	Retension Strap, M/R	5145-N490	650.10	2770 Airframe Hours	1596.10	3716.10	1770.10 Hours
369D21210-501	Retension Strap, M/R	5145-N491	650.10	2770 Airframe Hours	1596.10	3716.10	1770.10 Hours
369D21210-501	Retension Strap, M/R	5145-N492	650.10	2770 Airframe Hours	1596.10	3716.10	1770.10 Hours
369D21210-501	Retension Strap, M/R	5145-N494	650.10	2770 Airframe Hours	1596.10	3716.10	1770.10 Hours
369D21210-501	Retension Strap, M/R	5145-N493	650.10	2770 Airframe Hours	1596.10	3716.10	1770.10 Hours
500N5352-9	Hub, Fan	000038-0135	0.00	7500 Airframe Hours	0.00	7500.00	5554.10 Hours
369D21257-3	Thrust Bearing Cup Lower	5837-0061	650.10	5400 Airframe Hours	1596.10	6346.00	4400.10 Hours
369D21256-3	Thrust Bearing Cone Lower	5837-0012	650.10	5400 Airframe Hours	1596.10	6346.00	4400.10 Hours
369D21220	Lead Lag Bolt	5013-8213	650.10	5400 Airframe Hours	1596.10	6346.00	4400.10 Hours
369D21220	Lead Lag Bolt	5013-8213	127714.20	1000000 LL Bolt RINS	286317.30	1158603.10	811938.40 RINS
369D21220	Lead Lag Bolt	5013-8215	650.10	5400 Airframe Hours	1596.10	6346.00	4400.10 Hours
369D21220	Lead Lag Bolt	5013-8215	127714.20	1000000 LL Bolt RINS	286317.30	1158603.10	811938.40 RINS
369D21220	Lead Lag Bolt	5013-8257	650.10	5400 Airframe Hours	1596.10	6346.00	4400.10 Hours
369D21220	Lead Lag Bolt	5013-8257	127714.20	1000000 LL Bolt RINS	286317.30	1158603.10	811938.40 RINS
369D21220	Lead Lag Bolt	5013-8391	650.10	5400 Airframe Hours	1596.10	6346.00	4400.10 Hours
369D21220	Lead Lag Bolt	5013-8391	127714.20	1000000 LL Bolt RINS	286317.30	1158603.10	811938.40 RINS
369D21220	Lead Lag Bolt	5013-8426	650.10	5400 Airframe Hours	1596.10	6346.00	4400.10 Hours
369D21220	Lead Lag Bolt	5013-8426	127714.20	1000000 LL Bolt RINS	286317.30	1158603.10	811938.40 RINS
369D21220	Lead Lag Bolt	5013-8536	650.10	5400 Airframe Hours	1596.10	6346.00	4400.10 Hours
369D21220	Lead Lag Bolt	5013-8536	127714.20	1000000 LL Bolt RINS	286317.30	1158603.10	811938.40 RINS
369H1203-51	Lead Lag Link	5432-H354	650.10	11080 Airframe Hours	1596.10	12026.00	10080.10 Hours
369H1203-51	Lead Lag Link	5432-H445	650.10	11080 Airframe Hours	1596.10	12026.00	10080.10 Hours
369H1203-51	Lead Lag Link	5432-H510	650.10	11080 Airframe Hours	1596.10	12026.00	10080.10 Hours
369H1203-51	Lead Lag Link	5432-H513	650.10	11080 Airframe Hours	1596.10	12026.00	10080.10 Hours
369H1203-51	Lead Lag Link	5432-H521	650.10	11080 Airframe Hours	1596.10	12026.00	10080.10 Hours
369H1203-51	Lead Lag Link	5432-H522	650.10	11080 Airframe Hours	1596.10	12026.00	10080.10 Hours
369H1203-51	Lead Lag Link	5432-H541	650.10	11080 Airframe Hours	1596.10	12026.00	10080.10 Hours
369H1203-51	Lead Lag Link	008158-4266	3350.10	11080 Airframe Hours	1596.10	9326.00	7380.10 Hours
369H1203-51	Lead Lag Link	008158-4320	3350.10	11080 Airframe Hours	1596.10	9326.00	7380.10 Hours
369H1203-51	Lead Lag Link	008158-4349	3350.10	11080 Airframe Hours	1596.10	9326.00	7380.10 Hours
369H1203-51	Lead Lag Link	008158-4440	3350.10	11080 Airframe Hours	1596.10	9326.00	7380.10 Hours
369H1203-51	Lead Lag Link	008158-4447	3350.10	11080 Airframe Hours	1596.10	9326.00	7380.10 Hours
369D21400-503	M/R Dampner	005437-22286	0.00	On Condition	N/A	On Condition	N/A
369D21400-503	M/R Dampner	005437-22401	0.00	On Condition	N/A	On Condition	N/A



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# Maintenance Tracking Report

AIRCRAFT REGISTRATION:

N810LA DATE: 12-22-2019 PAGE NO: 6

Part No.	Description	Serial No.	Life At Install	Period	Last Done	Next Due	Remaining
368021400-503	M/R Dampnr	005437-22370	0.00	On Condition	N/A	On Condition	N/A
368021400-503	M/R Dampnr	005437-22288	0.00	On Condition	N/A	On Condition	N/A
368021400-503	M/R Dampnr	005437-22290	0.00	On Condition	N/A	On Condition	N/A
368021400-503	M/R Dampnr	005437-22385	0.00	On Condition	N/A	On Condition	N/A
500N3910-17	Horiz. Stab. Assy.	006040-0005	0.00	On Condition	N/A	On Condition	N/A
500N5400	Notar Transmission	N/A	0.00	On Condition	N/A	On Condition	N/A

Engine 1 Lfied Components

Part No.	Description	Serial No.	Life At Install	Period	Last Done	Next Due	Remaining
23073353 (OH)	Bleed Valve	FF58567	0.00	1500 Engine1 Hours	1472.20	2972.20	1026.30 Hours OH
23078031 (OH)	HMU	JGALM0533	0.00	2500 Engine1 Hours	0.00	2500.00	554.10 Hours OH
23065593	Compressor 2000hr Inspection	CAC-44508	0.00	2000 Engine1 Hours	1328.20	3328.20	1382.30 Hours
23065591	Impeller	JY107971	0.00	7500 Engine1 Hours	1328.20	8828.20	6882.30 Hours
23065591 (OH)	Impeller	JY107971	0.00	15000 Airframe Cycles	2522.00	17522.00	14293.00 Cycles OH
23063354 (OH)	Turbine Assy.	CAT-45434	0.00	2000 Engine1 Hours	1596.80	3596.80	1650.90 Hours OH
M250-10227	1st Stage Wheel	X617871	0.00	2025 Engine1 Hours	1596.80	3621.80	1675.90 Hours
M250-10227	1st Stage Wheel	X617871	0.00	3000 Airframe Cycles	2960.00	5960.00	2731.00 Cycles
M250-10658	2nd Stage Wheel	X623457	0.00	2025 Engine1 Hours	1596.80	3621.80	1675.90 Hours
M250-10658	2nd Stage Wheel	X623457	0.00	3000 Airframe Cycles	2960.00	5960.00	2731.00 Cycles
M250-10748	3rd Stage Wheel	X589740	1678.50	4550 Engine1 Hours	1596.80	4468.30	2522.40 Hours
M250-10748	3rd Stage Wheel	X589740	2828.00	6000 Airframe Cycles	2960.00	6132.00	2903.00 Cycles
23066744	4th Stage Wheel	X585948	1678.50	4550 Engine1 Hours	1596.80	4468.30	2522.40 Hours
23066744	4th Stage Wheel	X585948	2828.00	6000 Airframe Cycles	2960.00	6132.00	2903.00 Cycles
23066745	Accessory GBX.	CAG-47851	1152.30	On Condition	N/A	On Condition	N/A
m250-10604 (OH)	Fuel Nozzle	1TR03212	0.00	2000 Engine1 Hours	1596.10	3596.10	1650.20 OH
23089311	FADEC ASSY	JG6ALW0005	0.00	On Condition	N/A	On Condition	N/A

ADs

Types	Subject	AD Number	Based On	Period	Warning	Last Done	Next Due	Remaining
Repetitive ADs	152:AD TT-Straps	2013-03-03	Date (Years)	5	0 Years	03-19-2019	03-19-2024	1541
Repetitive ADs	151:AD MR Blade Crack Inspection	2019-05-04	Airframe Hours	100	20 Hours	1879.60	1979.60	33.70
Repetitive ADs	137:AD TOT	2000-08-22	Airframe Hours	300	50 Hours	1879.60	2179.60	233.70



### **N902TX Helicopter Lease Agreement**

This Helicopter Lease Agreement (this "Agreement") is made this January 10, 2020 and effective January 1, 2020 (the "Effective Date"), by and between Air Rescue Systems Corporation, a Delaware limited liability company ("Lessor") and Brim Equipment Leasing LLC, an Oregon limited liability company ("Lessee"). Each of Lessor and Lessee is sometimes hereinafter referred to as a "Party" and collectively as the "Parties" as the context requires.

WHEREAS, Lessor owns that certain MCDONNELL DOUGLAS HELICOPTER model 902N helicopter, bearing United States Registration Number N902TX, manufacturer's serial number 900-00092, with two PRATT & WHITNEY model PW207E engines bearing manufacturer's serial numbers BG0096 (described on the International Registry Manufacturers' List as model PW200 Series, serial number BG0096) and BG0118 (described on the International Registry Manufacturers' List as model PW200 Series, serial number BG0118), and any appliances, components, parts, instruments, appurtenances, accessories, furnishings or other equipment of whatever nature (other than the engine or complete engines) which may from time to time be incorporated or installed in or attached to the airframe or any engine and includes replacement thereof (the "Helicopter"); and

WHEREAS, Lessor desires to lease the Helicopter to Lessee and Lessee desires to lease the Helicopter from Lessor.

NOW THEREFORE, in consideration of the mutual covenants and promises hereinafter set forth, the Parties agree as follow:

1. Grant of Lease; Term. Subject to the terms and conditions set forth herein, Lessor hereby leases the Helicopter to Lessee and Lessee hereby leases the Helicopter from Lessor. The term of this Agreement shall begin on the date hereof and shall continue in effect for five (5) years, unless earlier terminated as provided herein. Each of Lessor and Lessee shall have the right to terminate this Agreement upon one hundred twenty (120) days' written notice to the other Party for any or no reason, provided, however, that in the event the Helicopter has been committed to providing service for any customer of Lessee or any other third party, any notice of termination by Lessor with respect to such Helicopter shall not take effect until the termination of such commitment. This Agreement may also be terminated for cause in the case of an uncured Event of Default as described in Section 10 below, and shall terminate immediately and automatically without notice from either Party upon Lessee's suspension, revocation or surrender of any of its Part 133, 135, or 137 Certificates.

2. Delivery Condition; Acceptance; Valuation. Lessee and Lessor acknowledge and agree that the Helicopter has been delivered to Lessee in an Airworthy Condition, with a current "Annual Inspection" and "100 Hour Inspection." Lessor and Lessee further acknowledge and agree as to the Summary of MD 902 Component Information (the "Component Summary") set forth in Exhibit A attached hereto, and to the total valuation of those certain key components of the Helicopter described in the Component Summary at the time of delivery as set forth in such Exhibit A (the "Delivery Component Value"). In further evidence of support, the maintenance records underpinning the Delivery Component Value is set forth in Exhibit E attached hereto.

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3. Use. Lessee shall use the Helicopter in a safe and appropriate manner and shall comply with and conform to all national, state, municipal, and other laws, ordinances and regulations in any way relating to the possession, use or maintenance of the Helicopter.

4. Maintenance and Repair. Lessee shall, at its own cost and expense, repair and maintain the Helicopter so as to keep it in good working order and operating condition during the term of this Agreement, including paying for: (i) any and all pre-flight and post-flight inspections and/or recurring inspections and scheduled and/or non-scheduled maintenance, and (ii) all inspections and other maintenance necessary for the Helicopter's operation under 14 CFR Parts 91, 133, 135, and 137. Except as otherwise provided below in this Section 4, Lessee shall be responsible for any damage or repair to the Helicopter which is caused or made necessary during the term of this Agreement while the Helicopter is under Lessee's, or its employees', agents', or representatives' control. However, notwithstanding the foregoing provisions of this Section 4, Lessor shall be responsible for the cost of parts and labor to comply with non-recurring mandatory Airworthiness Directives and Service Bulletins.

5. Rental Rate. Lessee shall pay to Lessor the Aircraft Rental Rate set forth on Exhibit B attached hereto (the "Aircraft Rental Rate"). Within 20 days after the end of each month during the term of this Agreement, Lessee shall deliver to Lessor: (a) a reasonably detailed accounting statement (each, a "Monthly Statement") setting forth the amounts payable during the previous month pursuant to this Agreement; and (b) the amount, if any, payable as set forth on such Monthly Statement. Within 10 days after Lessor's receipt of any Monthly Statement showing an amount payable, Lessee shall remit such payment to Lessor.

It is understood by the Parties hereto that Lessee shall make every reasonable commercial effort to make timely payments to Lessor, and that the foregoing payment terms are not a waiver of Lessor's right to ultimately receive payment from Lessee for work properly performed under this Agreement. Lessee will not be considered in default under this Agreement if it is in compliance with any of the payment terms set forth in this paragraph.

If full payment of an overdue amount is not made by Lessee to Lessor within thirty (30) days after Lessor's receipt of any Monthly Statement, Lessor shall have the right at that time to terminate this Agreement, and Lessee will then be required to make arrangements for, and pay the cost of, return of the Helicopter to Lessor. Nothing in the foregoing sentence shall be construed as a waiver of Lessee's obligation to pay the Aircraft Rental Rate.

6. Responsibilities and Fees.

- (a) Lessor shall be responsible only for the following expenses related to the use of the Helicopter:
  - (i) Payment of all debt service, license and federal, state and local registration fees;
  - (ii) Any applicable property taxes due for the ownership and operation of the Helicopter; and

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- (iii) The cost of parts and labor to comply with non-recurring mandatory Airworthiness Directives and non-recurring mandatory Service Bulletins.
- (b) Lessee shall be responsible for all other expenses, including but not limited to the following:
  - (i) Hangar storage;
  - (ii) Insurance on the Helicopter, as described in Section 8, below;
  - (iii) Fuel and regular operating oil; and
  - (iv) maintenance required (A) on account of accident, foreign object damage or misuse of the Helicopter or (B) all pre-flight and post-flight inspections and/or recurring inspections and scheduled and/or non-scheduled maintenance, and (C) all inspections and other maintenance necessary for the Helicopter's operation under 14 CFR Parts 133, 135, and 137.

7. Surrender. Upon the expiration of this Agreement, Lessee shall return the Helicopter to Lessor in good repair, condition and mechanical working order and unless otherwise provided for herein shall pay for all parts, mechanisms, devices, or materials required to make it so at the time of surrender, ordinary wear and tear resulting from proper use thereof excepted, by delivering the Helicopter, at Lessee's cost and expense, to a specified mutually agreeable location in the contiguous 48 United States.

Additionally, the total valuation of the key components of the Helicopter used to determine the Delivery Component Value will be determined as of the date of surrender (the "**Surrender Component Value**"), by referencing Lessee's maintenance records and utilizing the baseline values set forth in the Component Summary. If the Surrender Component Value exceeds the Delivery Component Value, Lessor will promptly pay to Lessee the difference between the Surrender Component Value and the Delivery Component Value, and conversely, if the Delivery Component Value exceeds the Surrender Component Value, Lessee will promptly pay to Lessor the difference between the Delivery Component Value and the Surrender Component Value. For illustrative purposes only, an example of the process described in this paragraph is attached hereto as Exhibit C (providing an example where Lessee pays Lessor) and Exhibit D (providing an example where Lessor pays Lessee).

8. Insurance. Lessee shall procure and continuously maintain insurance for all risk against loss of, or damage to, the Helicopter, and shall procure and continuously maintain liability and any other applicable property damage insurance. A copy of the coverages/policies maintained by Lessee has been provided to Lessor, and Lessor hereby agrees that such coverage is acceptable. Lessee shall provide reasonable evidence of such policy on an annual basis. Such policy shall name Lessor as additionally insured and shall also name Lessor as a loss

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payee on the hull coverage. Lessee shall also provide Lessor with a certificate evidencing such insurance.

9. Mutual Indemnity. Each Party hereto (the "Indemnifying Party") will indemnify, defend and hold harmless the other Party hereto (the "Indemnified Party") and its affiliate companies, and its and their respective directors, officers, employees, agents, successors and assigns, from and against any and all third party claims, liabilities, obligations, costs, expenses and reasonable attorneys' fees (collectively, "Damages") arising out of or related to (a) the Indemnifying Party's actual or alleged breach of this Agreement (including, without limitation, any warranty, representation or obligation herein), and/or (b) any act, omission, conduct or negligence in connection with the Indemnifying Party's performance hereunder. This Section 9 will survive expiration or termination of this Agreement for any reason.

10. Default and Remedies. It shall be an Event of Default if Lessee or Lessor fails to observe, keep or perform any material provision of this Agreement required to be observed.

Upon the occurrence of an Event of Default by Lessor which is not cured within ten (10) days of receipt of written notice of the occurrence from Lessee, Lessee shall, as its sole and exclusive remedy, have the right to terminate this Agreement.

Upon the occurrence of an Event of Default by Lessee which is not cured within ten (10) days of receipt of written notice of the occurrence from Lessor, Lessor shall, as its sole and exclusive remedy, have the right to exercise any one or more of the following remedies:

- (a) take possession of the Helicopter, without demand or notice, wherever it may be located, without court order or other process of law; and
- (b) terminate this Agreement;

Nothing in the foregoing clause shall be construed to relieve Lessee of its obligations to pay all amounts due under the Aircraft Rental Rate.

11. Ownership and Rights. The Helicopter is, and shall at all times be and remain, the sole and exclusive property of Lessor. Lessee shall have no right, title or interest therein or thereto except as expressly set forth in this Agreement.

12. Notices. Any notice required or permitted under this Agreement shall be given in writing and shall be effective for all purposes if hand-delivered to the Party designated below or if sent by (a) certified or registered United States mail, postage prepaid, (b) by expedited delivery service, either commercial or United States Postal Service, with proof of delivery, or (c) by facsimile (provided that such facsimile is confirmed by expedited delivery service or by mail in the manner previously described), addressed as follows:

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If to Lessee:                      Brim Equipment Leasing LLC  
   Attention: Julie Brim, President  
   Physical Address: 445 Dead Indian Memorial Rd,  
   Ashland, OR 97520  
   Mailing Address: PO Box 3009, Ashland, OR  
   97520  
   Email: Julie@brimaviation.com

   with a copy to Wexford Capital LP  
   411 West Putman Ave.  
   Greenwich, CT 06830  
   Attn: Legal  
   Email: legal@wexford.com

If to Lessor:                      Air Rescue Systems Corporation  
   Mark Layton  
   Chief Financial Officer  
   14201 Caliber Drive, Suite 300  
   Oklahoma City, OK 73134  
   Phone: 405.563.9961  
   Email: mlayton@mammothenergy.com

With a copy to:                      J. Matthew Thompson  
   Senior Counsel  
   14201 Caliber Drive, Suite 300  
   Oklahoma City, OK 73134  
   Phone: 405.286.2077  
   Email: [matt.thompson@mammothenergy.com](mailto:matt.thompson@mammothenergy.com)

With a copy to:                      McAfee & Taft A Professional Corporation  
   Scott D. McCreary / John R. Chubbuck  
   10th Floor, Two Leadership Square  
   211 N Robinson  
   Oklahoma City OK 73102-7103  
   Phone: 405.235.9621  
   Email: Scott.mccreary@mcafeetaft.com  
   Email: john.chubbuck@mcafeetaft.com

or to such other address and person as shall be designated from time to time by Lessee or Lessor, as the case may be, in a written notice to the other in the manner provided for in this Section 12. The notice shall be deemed to have been given at the time of delivery if hand-delivered, or on the next business day after transmission if sent by confirmed facsimile, or in the case of registered or certified mail, on the third business day after deposit in the United States mail, or if by expedited delivery, upon the first attempted delivery on a business day. A Party receiving notice which



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does not comply with the technical requirements for notice under this Section 12 may elect to waive any deficiencies and treat the notice as having been properly given.

13. Representations and Warranties of Lessee. Lessee represents and warrants as of the date hereof and during the entire term of this Agreement as follows:

(a) Lessee is a validly organized limited liability company under the laws of the State of Oregon, and the person executing on behalf of Lessee has full power and authority to execute this Agreement on behalf of Lessee and by such execution shall bind Lessee under this Agreement.

(b) No action, suit, or proceeding is currently pending or threatened against Lessee which shall in any material way affect Lessee's financial status as of the date thereof, or impair the execution, delivery, or performance by Lessee of this Agreement.

(c) The execution and delivery of this Agreement by Lessee and the performance of its obligations hereunder have been duly authorized by all necessary corporate or limited liability company action, and do not conflict with any provision of Lessee's articles of organization, bylaws, operating agreement, any governmental regulations, or any other agreements that Lessee may now have with other parties.

(d) Lessee is not subject to any restriction, which with or without the giving of notice, the passage of time, or both, prohibits or would be violated by or be in conflict with this Agreement.

(e) Lessee will not permit the Helicopter to be operated in any unsafe manner or contrary to any manual or instructions for the Helicopter or in material violation of the terms or conditions of any insurance policy covering the Helicopter or any applicable statute, regulation, ordinance, or other law.

14. Representations and Warranties of Lessor. Lessor represents and warrants as of the date hereof and during the entire term of this Agreement as follows:

(a) Lessor is a validly organized limited liability company under the laws of the State of Delaware, and has full power and authority to execute this Agreement on behalf of Lessor and by such execution shall bind Lessor under this Agreement.

(b) No action, suit, or proceeding is currently pending or threatened against Lessor which shall in any material way affect Lessor's financial status as of the date thereof, or impair the execution, delivery, or performance by Lessor of this Agreement.

(c) The execution and delivery of this Agreement by Lessor and the performance of its obligations hereunder have been duly authorized by all necessary corporate or limited liability company action, and do not conflict with any provision of Lessor's articles of organization, bylaws, operating agreement, any governmental regulations, or any other agreements that Lessee may now have with other parties.



(d) Lessor is not subject to any restriction, which with or without the giving of notice, the passage of time, or both, prohibits or would be violated by or be in conflict with this Agreement.

15. Assignment. Lessee shall not assign this Agreement or its interest in the Helicopter without prior written consent of Lessor. Any such attempted assignment shall be null and void.

16. Force Majeure. Non-performance of either Party shall be excused to the extent that performance is rendered impossible by acts of God, public enemies, war, civil disorder, labor disputes or strikes, fire, flood, explosion, governmental acts, orders or restrictions, or any other reason where failure to perform is beyond the control and not caused by the negligence of the non-conforming Party.

17. Waiver. In no event shall any Party be liable for any claimed indirect, special, incidental, consequential or punitive damages, or for any damages consisting of damages for loss of use, revenue, profit, business opportunities and the like, even if the Party had been advised of, or knew or should have known of, the possibility of such damages.

18. Governing Law. This Agreement has been delivered in the State of Delaware and shall in all respects be governed by, and construed in accordance with, the laws of the State of Delaware including all matters of construction, validity and performance, without giving effect to its conflict of laws provisions.

19. Jurisdiction and Venue. Exclusive jurisdiction and venue over any and all disputes between the Parties arising under this Agreement shall be in, and for such purpose each Party hereby submits to the jurisdiction of, the state and federal courts serving the State of Oregon.

20. Severability. If any provision of this Agreement is or becomes illegal, invalid or void under any applicable state or federal law under which performance hereunder is required, such provision will be considered severable, and the remaining provisions hereof will not be impaired, and this Agreement will be interpreted as far as possible so as to give effect to its stated purpose.

21. Execution. This Agreement may be executed in counterparts, each of which will be considered an original and all of which together will constitute one and the same agreement. Facsimile or other electronically transmitted signatures of this Agreement will constitute original signatures. At the request of any Party, the Parties will confirm facsimile or other electronically transmitted signatures by signing an original document.

22. Further Assurances. Each Party agrees to execute and deliver such other documents and to do and perform such other acts and things as the other Party may reasonably request to carry out the intent and accomplish the purposes of this Agreement.

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23. Exhibits. The Exhibits referenced in this Agreement are part of this Agreement as if fully set forth in this Agreement.

24. Entire Agreement. The Parties acknowledge that this Agreement is the complete and exclusive statement of the mutual understanding of the Parties with respect to the subject matter hereof and supersedes and cancels all conflicting terms and conditions and all previous and contemporaneous written and oral agreements and communications relating to such subject matter. This Agreement may not be modified or amended except by a written amendment which states that it is intended to amend this Agreement and is executed by a duly authorized representative of each Party. This Agreement will be construed without regard to any presumption or other rule requiring construction against the Party causing this Agreement to be drafted.

[signature page to follow]

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IN WITNESS WHEREOF, the Parties hereto have executed this Agreement as of the day and year first above written.

LESSOR:

Arty Strachela  
Air Rescue Systems Corporation

By: ARTY STRACHELA

Title: CEO

LESSEE:

J. Brim  
Brim Equipment Leasing I.L.C

By: JULIE BRIM

Title: PRESIDENT







**Exhibit B Aircraft  
Rental Amount**

**Aircraft Rental Rate: \$317 per each flight hour**

In determining the monthly Aircraft Rental Rate for the Helicopter, flight hours will be determined based on monthly average flight hours of all MD 902 aircraft (including the Helicopter) which are owned or leased in any particular month by Lessee (prorated for partial month ownership/leasing), and not on actual flight hours of solely the Helicopter.

For illustrative purposes only, the following examples are included:

Example 1: In a particular month, Lessee owns or leases a total of four MD 902 aircraft, including the Helicopter.

*The actual usage of each aircraft is as follows:*

*Helicopter = 50 flight hours  
Aircraft No. 2 = 100 flight hours  
Aircraft No. 3 = 90 flight hours  
Aircraft No. 4 = 0 flight hours*

*Average flight hour utilization per aircraft =  $(50 + 100 + 90 + 0) / 4 = 240 / 4 = 60$  flight hours*

*The Aircraft Rental Rate for the Helicopter for such month = 60 hours x \$317 = \$19,020*

Example 2: In a particular month, Lessee owns or leases a total of four MD 902 aircraft, including the Helicopter.

*The actual usage of each aircraft is as follows:*

*Helicopter = 0 flight hours  
Aircraft No. 2 = 100 flight hours  
Aircraft No. 3 = 100 flight hours  
Aircraft No. 4 = 0 flight hours*

*Average flight hour utilization per aircraft =  $(0 + 100 + 100 + 0) / 4 = 200 / 4 = 50$  flight hours*

*The Aircraft Rental Rate for the Helicopter for such month = 50 hours x \$317 = \$15,850*

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**Exhibit C**  
**Illustrative Example of Surrender Calculations – Lessee Pays Lessor Key Component**

Description	Part Number	Turn	Component Information			Cost		Delivery Component Value		Surrender Component Value		Payor's Net Book Value (N.B.V.)							
			Years	1993	Total (1)	\$/Day	\$/Hour	Days	Hours	Days	Hours	Total	Cash Payments	Equity Payments	Net Cost / (B.N.V.)				
Engine Fuel Injector (set of 7)	90014287500-10	Overhaul	4	0.00	\$38,500	\$19,250	—	—	—	—	—	—	—	—	—	—	—	—	—
Hydraulic Pump Assy	9001231500-10	Overhaul	—	—	\$38,500	—	\$21.13	\$16,610	\$74,630	\$13,221	\$13,221	\$8,648	(\$1,489)	(\$1,489)	(\$1,489)	(\$1,489)	(\$1,489)	(\$1,489)	(\$1,489)
Carrier Assy (LH) Gear (3)	9001231500-10	Partic	—	20,000	\$88,500	—	\$1.85	\$17,250	\$16,630	\$16,630	—	—	—	—	—	—	—	—	—
Carrier Assy (RH) Gear (3)	20001-070	Overhaul	—	1,200	\$24,300	—	\$20.25	\$1,800	\$1,800	\$1,800	—	—	—	—	—	—	—	—	—
Swire-Component	9000115000-10	Partic	—	11,600	\$620,500	—	\$53.45	\$466,638	\$466,638	\$466,638	—	—	—	—	—	—	—	—	—
Blade Assy, Main (set of 6)	9000115000-10	Partic	—	10,000	\$530,000	—	\$53.00	\$530,000	\$530,000	\$530,000	—	—	—	—	—	—	—	—	—
Fluxoam Assy, M/T (set of 6)	9000115000-10	Partic	—	10,000	\$10,000	—	\$1.00	\$10,000	\$10,000	\$10,000	—	—	—	—	—	—	—	—	—
Upper Hub Assy, Main	9000270100-10	Overhaul	—	10,750	\$10,000	—	\$0.93	\$9,925	\$9,925	\$9,925	—	—	—	—	—	—	—	—	—
Lower Hub Assy, Main	9000270100-10	Overhaul	—	10,750	\$10,000	—	\$0.93	\$9,925	\$9,925	\$9,925	—	—	—	—	—	—	—	—	—
Swingblade Assy, Raising	9000270100-10	Overhaul	—	6,000	\$10,000	—	\$1.67	\$10,000	\$10,000	\$10,000	—	—	—	—	—	—	—	—	—
Swingblade Assy, Non-Raising	9000270100-10	Partic	—	1,200	\$12,000	—	\$10.00	\$12,000	\$12,000	\$12,000	—	—	—	—	—	—	—	—	—
Eng. Angular Control W/R Swathable	9000270100-10	Partic	—	2,000	\$20,000	—	\$10.00	\$20,000	\$20,000	\$20,000	—	—	—	—	—	—	—	—	—
Eng. Pylon, Swathable	9000270100-10	Partic	—	12,807	\$20,500	—	\$1.59	\$19,700	\$19,700	\$19,700	—	—	—	—	—	—	—	—	—
M/R Transmission Assy	9000140000-10	Overhaul	—	3,000	\$418,000	—	\$139.33	\$418,000	\$418,000	\$418,000	—	—	—	—	—	—	—	—	—
M/R Pylon, Swathable	9000140000-10	Partic	—	3,000	\$25,000	—	\$8.33	\$25,000	\$25,000	\$25,000	—	—	—	—	—	—	—	—	—
Fr. Drive Assy (set of 2)	9000894100-10	Partic	—	1,200	\$25,000	—	\$20.83	\$25,000	\$25,000	\$25,000	—	—	—	—	—	—	—	—	—
Fr. Tension/Order Strap (set of 13)	9000894100-10	Partic	—	1,200	\$25,000	—	\$20.83	\$25,000	\$25,000	\$25,000	—	—	—	—	—	—	—	—	—
Engine Overhaul (1 of 2)	300309401	Overhaul	—	3,500	\$550,000	—	\$157.14	\$550,000	\$550,000	\$550,000	—	—	—	—	—	—	—	—	—
Engine Overhaul (2 of 2)	300309401	Overhaul	—	3,500	\$550,000	—	\$157.14	\$550,000	\$550,000	\$550,000	—	—	—	—	—	—	—	—	—
<b>Total</b>																			

71) *Indicates current cost data provided by component vendors or OEM.*  
 72) *Key Component Value calculated by taking the size, volume remaining multiplied by the \$/day or \$/hour.*  
 73) *Based on a 4 hour day.*  
 74) *Costs are based on the form of work of day/shift breakdown, the rot count or turn payment is calculated by taking the Surrender Component Value minus the Delivery Component Value and the Delivery Component Value.*  
 75) *Value includes the Surrender Component Value, lessor will promptly pay to lessor the difference between the Delivery Component Value and the Surrender Component Value.*



**Exhibit D**  
**Illustrative Example of Surrender Calculations – Lessor Pays Lessee Key Component Value Difference**

N902TX  
As of 10/1/2019

Summary of MD 902 Component Information								Delivery Component Value		Surrender Component Value			Payment At End of Lease (1, 2)			
Description	Part Number	Term	Component Life		Cost			Key Component Value (2)		Key Component Value (2)			Cobra Payments	Brim Payments	Net Cobra / Brim	
			Years	Hours	Total (1)	\$ / Day	\$ / Hour	Days	Hours	Days	Hours	Total				
Engine Tie Bolts (set of 2)	9007269000-10	Retire	5	-	\$35,000	\$18.19	-	522,438	-	\$22,439	\$31,369	-	\$3,880	\$8,549	-	\$8,549
Hydraulic Pump Assy	9004382160-10	Overhauled	-	4,000	\$84,500	-	\$71.13	-	\$14,690	\$14,650	-	\$16,189	\$19,198	\$1,429	-	\$1,489
Damper Assy LDC Gear (2)	9002326190-10	Retire	-	30,000	\$58,500	-	\$1.95	-	\$17,250	\$17,288	-	\$16,963	\$19,593	\$1,728	-	\$1,728
Starter/Generator	23091-070	Overhauled	-	1,200	\$24,000	-	\$20.00	-	\$9,070	\$9,070	-	\$9,977	\$9,977	\$607	-	\$907
Ride Assy, M/R (set of 5)	9004145300-10	Retire	-	11,400	\$355,500	-	\$72.91	-	\$464,590	\$464,593	-	\$511,052	\$511,352	\$46,459	-	\$46,459
Flexbeam Assy, M/R (set of 5)	9004110300-11	Retire	-	10,000	\$300,000	-	\$30.00	-	\$237,370	\$237,370	-	\$251,197	\$251,107	\$28,737	-	\$28,737
Upper Hub Assy, M/R	9004219700-10	Overhauled	-	10,000	\$19,000	-	\$1.90	-	\$13,795	\$13,725	-	\$15,037	\$15,267	\$1,372	-	\$1,372
Lower Hub Assy, M/R	9004219700-10	Overhauled	-	10,750	\$19,000	-	\$4.88	-	\$2,443	\$2,443	-	\$3,787	\$3,787	\$344	-	\$344
Swashplate Assy, Rotating	9002010188-10	Retire	-	6,838	\$18,500	-	\$2.72	-	\$18,191	\$18,191	-	\$20,010	\$20,010	\$1,819	-	\$1,819
Swashplate Assy, Non-Rotating	9002010190-11	Retire	-	1,200	\$12,500	-	\$10.42	-	\$3,789	\$3,789	-	\$4,168	\$4,168	\$379	-	\$379
DRG, Angular Control, M/R Swashplate	9002010190-10	Retire	-	2,000	\$33,500	-	\$16.75	-	\$38,313	\$36,513	-	\$39,544	\$39,944	\$3,931	-	\$3,931
RRG, Plain, Spherical/Glider M/R	9002010042-10	Retire	-	12,000	\$53,500	-	\$7.69	-	\$97,620	\$97,626	-	\$107,388	\$107,389	\$9,763	-	\$9,763
M/R Transmission Assy	9000100006-10	Overhauled	-	3,000	\$415,000	-	\$138.33	-	\$284,877	\$284,877	-	\$313,254	\$313,264	\$28,488	-	\$28,488
Fan Blade Assy Neta/ser (1 of 13)	9009244019-10	Retire	-	3,000	\$26,000	-	\$6.71	-	\$29,719	\$29,712	-	\$26,063	\$26,063	\$2,371	-	\$2,371
Fan Tension/Torsion Strap (set of 13)	9009544009-10	Retire	-	1,200	\$33,000	-	\$27.50	-	\$15,450	\$15,456	-	\$17,002	\$17,002	\$1,546	-	\$1,546
Engro Overhaul (1 of 2)	3053554-01	Overhauled	-	1,500	\$550,000	-	\$157.14	-	\$405,383	\$405,383	-	\$443,921	\$443,921	\$40,538	-	\$40,538
Engro Overhaul (2 of 2)	3053554-01	Overhauled	-	1,500	\$550,000	-	\$157.14	-	\$429,800	\$429,800	-	\$473,488	\$473,489	\$43,588	-	\$43,588
																\$216,787

(1) Inclusive current cost data provided by component vendor or OEM  
(2) Key Component Value calculated by taking the days or hours remaining multiplied by the \$ / day or \$ / hour  
(3) Based on # of landings  
(4) At the end of the lease term or end of early lease termination, the net Cobra or Brim payment is calculated by taking the Surrender Component Value minus the Delivery Surrender Value  
(5) If the Surrender Component Value exceeds the Delivery Component Value, Lessor will promptly pay to Lessee the difference between the Surrender Component Value and the Delivery Component Value, and conversely, if the Delivery Component Value exceeds the Surrender Component Value, Lessee will promptly pay to Lessor the difference between the Delivery Component Value and the Surrender Component Value

**Exhibit E**  
**Run Sheets**





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## Maintenance Tracking Report

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### GENERAL DETAILS

Operator: Brim Aviation	#1 Engine Type:	
Serial No: 900-00092	Part No: 3053654-01	Part No: 3053654-01
A/C Type: MD 902	Serial No: PCEBG-0096	Serial No: PCE-BG0118
Year: 0000-00-00		
Flight Manual Revision:		
Empty Weight (kg): 4311.00		

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### MAINTENANCE DETAILS

Date Of Values: 12-11-2019

Airframe:	7051.45 hours	87.90 hook hours	436.00 hoist cycles	21233.00 landings
Engine 1:	920.29 hours	6134.00 Impeller cycles	6693.00 CT cycles	6702.00 PT cycles
Engine 2:	726.22 hours	3601.00 Impeller cycles	342.00 CT cycles	6262.00 PT cycles
RINs:	0.00			



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**Inspection**

Type	Inspection	Reference	Period	Last Done	Next Due	Remaining
General	Cockpit Fire Extinguisher		30 Days	12-04-2019	01-03-2020	4 Days
<b>System and Equipment Inspections</b>						
Lubrication	Hoist Gearbox lube		12 Months	01-09-2019	01-09-2020	10 Days
<b>MD Helicopter Inspections IAW RMM 05-20-20</b>						
General	INSPECTION 1 (NOSE & COCKPIT)		12 Months	01-21-2019	01-31-2020	32 Days
General	50 Hour Special Inspection		50 Airframe Hours	7033.62	7033.62	32.17 Hours
General	100 Hour Special Inspection		100 Airframe Hours	7000.01	7100.01	48.56 Hours
General	INSPECTION 2 (CABIN COMP.)		12 Months	04-29-2019	04-29-2020	121 Days
General	6 Month Special Inspection		6 Months	11-17-2019	05-17-2020	139 Days
Scheduled Inspection	1 Year 75 Micron G3 filter change	MD900 RMM 63-21-00	12 Months	05-28-2019	05-28-2020	150 Days
General	INSPECTION 3 (N/R & UPR DECK)		12 Months	07-03-2019	07-03-2020	188 Days
Scheduled Inspection	1 Year Drive Ring Inspection	MD900 RMM 62-20-00	12 Months	07-26-2019	07-26-2020	209 Days
General	400 Hour Special Inspection		400 Airframe Hours	6823.29	7223.29	171.84 Hours
General	INSPECTION 4 (LANDING GEAR)		12 Months	08-25-2019	08-25-2020	236 Days
General	Emergency Locator Transmitter Inspection	IAW FAR 91.207 (d)	12 Months	10-07-2019	10-07-2020	282 Days
General	INSPECTION 5 (POWERPLANT)		12 Months	10-07-2019	10-07-2020	282 Days
General	6 Year Special Inspection		60 Months	10-15-2015	10-15-2020	290 Days
General	300 Hour Special Inspection		300 Airframe Hours	7007.82	7807.82	256.37 Hours
Engine Scheduled	12 MONTH INSPECTION ENGINE 1		12 Months	11-17-2019	11-17-2020	323 Days
Engine Scheduled	12 MONTH INSPECTION ENGINE 2		12 Months	11-17-2019	11-17-2020	323 Days
General	1 Year Special Inspection		12 Months	11-17-2019	11-17-2020	323 Days
General	500 Hour 1 Year Special Inspection		12 Months	11-17-2019	11-17-2020	323 Days
Airframe Inspection	Full AD Audit		1 Years	11-17-2019	11-17-2020	323 Days
Limitation Note: Fully Audit all AD's and verify compliance, also verify that there are no raw AD's						
Servicing	Engine #1 Oil filter change		600 Engine1 Hours	385.87	1195.87	275.58 Hours
Servicing	Engine #2 Oil filter change		600 Engine2 Hours	201.90	1001.90	275.58 Hours
General	1200 Hour Special Inspection		1200 Airframe Hours	6129.97	7329.97	278.52 Hours
General	600 Hour Special Inspection		600 Airframe Hours	6730.80	7329.97	278.52 Hours
Servicing	600hr N/R Gearbox oil change	MD900 RMM 12-00-00	600 Airframe Hours	6730.80	7330.80	278.35 Hours
General	INSPECTION 6 (BAGGAGE, TB EMP.)		12 Months	12-16-2019	12-16-2020	352 Days
General	Transponder System Inspection	14 CFR 91.413	24 Months	11-30-2018	12-31-2020	367 Days
General	Pitot-Static System Inspection	14 CFR 91.411	24 Months	11-30-2018	12-31-2020	367 Days
General	1000 Hour Special Inspection		1000 Airframe Hours	6413.54	7413.54	362.09 Hours
General	5000 Hour Special Inspection Completed (2500 hours thereafter)		2500 Airframe Hours	4983.84	7463.84	412.39 Hours
General	Aircraft Re-Weigh		36 Months	06-20-2018	06-20-2021	538 Days
Scheduled Inspection	2 Year Upper and Lower bearing regrease	MD900 RMM 62 20 00	24 Months	07-26-2019	07-26-2021	574 Days
General	600 Hour 1 Year Special Inspection		500 Airframe Hours	7033.62	7533.62	482.17 Hours
Lubrication	FAN SUPPORT SHAFT BEARING REGREASE		600 Airframe Hours	6937.83	7537.83	496.36 Hours
<b>MD Helicopter Inspections IAW RMM 05-20-10</b>						
Lubrication	FAN PITCH BEARING REGREASE		600 Airframe Hours	6937.83	7537.83	496.36 Hours
Servicing	800hr AC Compressor Gearbox Servicing	MD900 RMM 12-00-00	600 Airframe Hours	6854.15	7554.15	502.70 Hours
Scheduled Inspections	2 Year Swastplate upper bearing inspection	MD900 RMM 62-30-00	24 Months	10-07-2019	10-07-2021	647 Days



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General	2 Year Special Inspection		24 Months	11-17-2019	11-17-2021	688 Days	
<b>ENGINE</b>							
Engine Scheduled	800 HR. INSPECTION ENGINE 1		800 Engine1 Hours	922.46	1702.46	782.17 Hours	
Engine Scheduled	800 HR. INSPECTION ENGINE 2		800 Engine2 Hours	708.48	1508.48	782.26 Hours	
General	2000 Hour Special Inspection		2000 Airframe Hours	5817.44	7844.95	793.50 Hours	
<b>Airframe Lined Components</b>							
Part No.	Description	Serial No.	Life At Install	Period	Last Done	Next Due	Remaining
42325-12-0	Rescue Hoist	40307	0.00	On Condition	N/A	On Condition	N/A
42315-43B (LL)	HO-ST CABLE	S95-158	0.00	1500 Airframe Hoist	0.00	1500.00	1064.00 Cycles LL
				Cycles			
42315-781	CABLE CUTTER CARTRIDGE	6098	0.00	5 Years	08-01-2016	08-01-2021	580.00 Days
9C3P980000-101	ENGINE FIRE BOTTLE	0450	0.00	5 Years	03-15-2019	03-15-2023	1171.00 Days
9C3P980000-101	ENGINE FIRE BOTTLE	0451	0.00	5 Years	03-15-2019	03-15-2023	1171.00 Days
9C3P980000-101	CARTRIDGE, ENGINE FIRE EX, PRIMARY	01041A	0.00	10 Years	02-01-2018	02-01-2028	2555.00 Days
9C3P980000-101	CARTRIDGE, ENGINE FIRE EX, PRIMARY	01057	0.00	10 Years	08-01-2017	06-01-2027	2710.00 Days
9C3P980000-101	CARTRIDGE, ENGINE FIRE EX, SECONDARY	00921	0.00	10 Years	04-01-2018	04-01-2028	2284.00 Days
9C3P980000-101	CARTRIDGE, ENGINE FIRE EX, SECONDARY	00931	0.00	10 Years	07-01-2018	07-01-2028	2375.00 Days
9C3H3821501-125	HYDRAULIC PUMP ASSY	NX727731	0.00	4000 Airframe Hours	3648.73	7848.73	597.28 Hours
9C3H3821501-125	HYDRAULIC PUMP ASSY	NX711301	0.00	4000 Airframe Hours	3844.95	7844.95	793.50 Hours
9C3F381040-107 (LL)	DAMPER ASSY, LDG GEAR,	004738-0290	0.00	30000 Airframe Landings	83.00	30033.00	8850.00 Landings LL
							LL
9C3F381040-107 (LL)	DAMPER ASSY, LDG GEAR,	004738-0292	0.00	30000 Airframe Landings	83.00	30033.00	8850.00 Landings LL
							LL
23C31-470	STARTER / GENERATOR,	P1127	0.00	1200 Airframe Hours	6685.50	7885.50	834.05 Hours
23C31-470	STARTER / GENERATOR,	P1021	0.00	1200 Airframe Hours	5924.40	7124.40	72.95 Hours
90CR1150003-101	BLADE ASSEMBLY, M/R	008999-0677	6205.65	11480 Airframe Hours	6547.60	11801.94	4750.49 Hours
90CR1150003-401	BLADE ASSEMBLY, M/R	6056-0273	2620.50	11480 Airframe Hours	6490.97	15330.47	8279.02
90CR1150003-101	BLADE ASSEMBLY, M/R	009999-0675	4973.02	11480 Airframe Hours	4993.84	11450.82	4309.37 Hours
90CR1150003-101	BLADE ASSEMBLY, M/R	009999-0573	1811.88	11480 Airframe Hours	4993.84	14812.16	7560.71 Hours
90CR1150003-101	BLADE ASSEMBLY, M/R	009999-0568	4088.17	11480 Airframe Hours	6547.60	13624.43	6672.93 Hours
90CR3100001-103	BLADE RETENTION BOLT, M/R	5510-2002	0.00	10750 Airframe Hours	4445.48	15195.48	8144.03 Hours
90CR3100001-103	BLADE RETENTION BOLT, M/R	5510-2004	0.00	10750 Airframe Hours	4445.48	15195.48	8144.03 Hours
90CR2100001-103	BLADE RETENTION BOLT, M/R	5510-1838	815.44	10750 Airframe Hours	4445.48	14380.04	7328.59 Hours
90CR3100001-103	BLADE RETENTION BOLT, M/R	5510-1847	815.44	10750 Airframe Hours	4445.48	14380.04	7328.59 Hours
90CR3100001-103	BLADE RETENTION BOLT, M/R	5510-1918	815.44	10750 Airframe Hours	4445.48	14380.04	7328.59 Hours
90CR3100001-102	BLADE RETENTION BOLT, M/R	5510-1870	815.44	10750 Airframe Hours	4445.48	14380.04	7328.59 Hours
90CR3100001-102	BLADE RETENTION BOLT, M/R	5510-1846	815.44	10750 Airframe Hours	4445.48	14380.04	7328.59 Hours
90CR3100001-102	BLADE RETENTION BOLT, M/R	5510-1819	815.44	10750 Airframe Hours	4445.48	14380.04	7328.59 Hours
90CR3100001-102	BLADE RETENTION BOLT, M/R	5510-1881	815.44	10750 Airframe Hours	4445.48	14380.04	7328.59 Hours
90CR3100001-102	BLADE RETENTION BOLT, M/R	5510-1889	815.44	10750 Airframe Hours	4445.48	14380.04	7328.59 Hours
90CR1100001-115	FLEXBEAM ASSY, M/R	6029-0681	0.00	10000 Airframe Hours	2961.27	12951.27	5609.82 Hours
90CR1100001-115	FLEXBEAM ASSY, M/R	6029-0746	0.00	10000 Airframe Hours	2961.27	12951.27	5609.82 Hours
90CR1100001-115	FLEXBEAM ASSY, M/R	6029-0669	0.00	10000 Airframe Hours	2961.27	12951.27	5609.82 Hours
90CR1100001-115	FLEXBEAM ASSY, M/R	6029-0978	0.00	10000 Airframe Hours	2961.27	12951.27	5609.82 Hours
90CR1100001-115	FLEXBEAM ASSY, M/R	6029-0958	0.00	10000 Airframe Hours	3844.18	13844.18	6792.73 Hours



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Part Number	Description	Quantity	Unit Cost	Material	Hours	Cost	Hours	Cost
90CR2103005-103	DAMPER CAP- UPPER, MIR	5009-0198	0.00	10000 Airframe Hours	2951.27	12951.27	6009.82	Hours
90CR2103005-103	DAMPER CAP- UPPER, MIR	5009-0332	0.00	10000 Airframe Hours	2951.27	12951.27	5909.82	Hours
90CR2103005-109	DAMPER CAP- UPPER, MIR	5009-0318	0.00	10000 Airframe Hours	2951.27	12951.27	5909.82	Hours
90CR2103005-109	DAMPER CAP- UPPER, MIR	5009-0321	0.00	10000 Airframe Hours	2951.27	12951.27	5909.82	Hours
90CR2103005-109	DAMPER CAP- UPPER, MIR	5009-0329	0.00	10000 Airframe Hours	2951.27	12951.27	5909.82	Hours
90CR2103005-103	DAMPER CAP- LOWER, MIR	007803-0377	3.69	10000 Airframe Hours	5.86	10002.17	2950.72	Hours
90CR2103005-103	DAMPER CAP- LOWER, MIR	007803-0370	3.69	10000 Airframe Hours	5.86	10002.17	2950.72	Hours
90CR2103005-103	DAMPER CAP- LOWER, MIR	007803-0385	3.69	10000 Airframe Hours	5.86	10002.17	2950.72	Hours
90CR2103005-103	DAMPER CAP- LOWER, MIR	007803-0355	3.69	10000 Airframe Hours	5.86	10002.17	2950.72	Hours
90CR2103005-103	DAMPER CAP- LOWER, MIR	007803-0345	3.69	10000 Airframe Hours	5.86	10002.17	2950.72	Hours
90CR3100002-105	DAMPER, MIR	LK2308	4.18	4095 Airframe Hours	4091.54	8182.36	1130.91	Hours
90CR3100002-105	DAMPER, MIR	LK2340	4.18	4095 Airframe Hours	4091.54	8182.36	1130.91	Hours
90CR3100002-105	DAMPER, MIR	LK2600	4.18	4095 Airframe Hours	4091.54	8182.36	1130.91	Hours
90CR3100002-105	DAMPER, MIR	LK2597	4.18	4095 Airframe Hours	4091.54	8182.36	1130.91	Hours
90CR3100002-105	DAMPER, MIR	LK2473	0.00	4095 Airframe Hours	4091.54	8186.54	1135.09	Hours
90CR3100002-105	DAMPER, MIR	LK2260	0.00	4095 Airframe Hours	4091.54	8186.54	1135.09	Hours
90CR3100002-105	DAMPER, MIR	LK2542	0.00	4095 Airframe Hours	4091.54	8186.54	1135.09	Hours
90CR3100002-105	DAMPER, MIR	LK2493	0.00	4095 Airframe Hours	4091.54	8186.54	1135.09	Hours
90CR3100002-105	DAMPER, MIR	LK2512	0.00	4095 Airframe Hours	4091.54	8186.54	1135.09	Hours
90CR3100002-105	DAMPER, MIR	LK2521	0.00	4095 Airframe Hours	4091.54	8186.54	1135.09	Hours
90CR2100003-101	HUB RETENTION NUT, M/R	007803-0133	0.00	10000 Airframe Hours	0.00	10000.00	2948.55	Hours
90CR2101204-101	HUB LINER, MAIN ROTOR	5009-0061	0.00	20000 Airframe Hours	3648.73	23648.73	16597.28	Hours
90CR2101208-107	UPPER HUB ASSY, MAIN ROTOR	5009-0063	170.60	10000 Airframe Hours	4445.48	14274.88	7223.43	Hours
90CR2101208-107	LOWER HUB ASSY, MAIN ROTOR	007803-0101	3.69	10750 Airframe Hours	5.85	10752.17	3700.72	Hours
90CR2101218-125	HUB PLATE, MAIN ROTOR	007803-0107	3.69	10000 Airframe Hours	5.88	10002.17	2950.72	Hours
90CR2101212-123	STRIKER PLATE, DROOP STOP, M/R	5009-0001	0.00	10000 Airframe Hours	2879.10	12879.10	5827.85	Hours
90CR2101212-123	STRIKER PLATE, DROOP STOP, M/R	5009-0005	0.00	10000 Airframe Hours	2879.10	12879.10	5827.85	Hours
90CR2101212-123	STRIKER PLATE, DROOP STOP, M/R	5009-0062	0.00	10000 Airframe Hours	2879.10	12879.10	5827.85	Hours
90CR2101212-123	STRIKER PLATE, DROOP STOP, M/R	5009-0090	0.00	10000 Airframe Hours	2879.10	12879.10	5827.85	Hours
90CR2101212-123	STRIKER PLATE, DROOP STOP, M/R	5009-0098	0.00	10000 Airframe Hours	2879.10	12879.10	5827.85	Hours
90CR2100001-105	SUPPORT, DROOP STOP, M/R	5079-0011	0.00	1580 Airframe Hours	6220.80	7800.50	749.35	Hours
90CR2100001-105	SUPPORT, DROOP STOP, M/R	5079-0049	0.00	1580 Airframe Hours	6413.50	7993.50	942.05	Hours
90CR2100001-103	SUPPORT, DROOP STOP, M/R	5009-1453	0.00	1580 Airframe Hours	6096.02	7676.02	524.57	Hours
90CR2100001-105	SUPPORT, DROOP STOP, M/R	5009-1652	0.00	1580 Airframe Hours	6129.97	7708.97	859.52	Hours
90CR2100001-103 (LL)	SUPPORT, DROOP STOP, M/R	5009-1420	0.00	1580 Airframe Hours	5871.03	7451.03	399.58	Hours LL
90CC2010188-107	SWASHPLATE ASSY, ROTATING	5009-0188	0.00	6808 Airframe Hours	6937.83	13745.83	6664.38	Hours
90CC2010182-113	SWASHPLATE ASSY, NON-ROT.	5009-0318	1322.64	1800 Airframe Hours	6937.83	7415.19	363.74	Hours
90CC3010042-103	BRG, ANGULAR CONTACT, M/R SWASHPLATE	5824-0249	0.00	2000 Airframe Hours	6937.83	8937.83	1886.38	Hours
90CC3010042-103	BRG, ANGULAR CONTACT, M/R SWASHPLATE	5824-0249	0.00	5 Years	10-07-2019	02-28-2022	791.00	Days
90CC3010042-105	BRG, PLAIN, SPHERICAL SLIDER, M/R	5983-0016	0.00	12807 Airframe Hours	6937.83	19744.83	12893.38	Hours
90CC2010233-105	LATERAL MXER RELI CRANK	009999-0080	0.00	13000 Airframe Hours	0.00	13000.00	5048.55	Hours
90CR2101017-105	DRIVE RING SET, M/R DRIVE LINK ATTACH	5009-00467	0.00	2890 Airframe Hours	5450.97	8350.97	2329.52	Hours
90CF2401800-103	DECK FITTING ASSY, AFT TRUSS LH	001819-0052	0.00	19990 Airframe Hours	0.00	19990.00	12938.55	Hours
90CF2401800-104	DECK FITTING ASSY, AFT TRUSS RH	001819-0054	0.00	19990 Airframe Hours	0.00	19990.00	12938.55	Hours
90CD1400006-001	M/R TRANSMISSION ASSEMBLY	006219-0115	0.00	3000 Airframe Hours	6095.02	6095.02	2044.57	Hours



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# Maintenance Tracking Report

AIRCRAFT REGISTRATION:

N902TX

DATE:

12-11-2019

PAGE NO:

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REGISTRATION	DESCRIPTION	QTY	UNIT PRICE	TOTAL PRICE	UNIT	DATE	DATE	DATE	DATE
90R2442012-108	FAN BLADE ASSEMBLY, NOTAR	5146-1695	0.00	3800 Airframe Hours	6413.50	10213.50			3182.05 Hours
90R2442012-108	FAN BLADE ASSEMBLY, NOTAR	5146-1748	0.00	3800 Airframe Hours	6413.50	10213.50			3182.05 Hours
90R2442012-103	FAN BLADE ASSEMBLY, NOTAR	5146-1559	278.13	3800 Airframe Hours	7054.11	10577.98			3528.53 Hours
90R2442012-103	FAN BLADE ASSEMBLY, NOTAR	5146-1563	278.13	3800 Airframe Hours	7054.11	10577.98			3528.53 Hours
90R2442012-103	FAN BLADE ASSEMBLY, NOTAR	5146-1549	278.13	3800 Airframe Hours	7054.11	10577.98			3528.53 Hours
90R2442012-103	FAN BLADE ASSEMBLY, NOTAR	5146-1732	0.00	3800 Airframe Hours	6413.50	10213.50			3182.05 Hours
90R2442012-103	FAN BLADE ASSEMBLY, NOTAR	5146-1336	0.00	3800 Airframe Hours	6837.83	10737.83			3686.38 Hours
90R2442012-103	FAN BLADE ASSEMBLY, NOTAR	5146-1342	0.00	3800 Airframe Hours	6837.83	10737.83			3686.38 Hours
90R2442012-103	FAN BLADE ASSEMBLY, NOTAR	5146-1354	0.00	3800 Airframe Hours	6837.83	10737.83			3686.38 Hours
90R2442012-103	FAN BLADE ASSEMBLY, NOTAR	5146-1355	0.00	3800 Airframe Hours	6954.15	10754.15			3702.70 Hours
90R2442012-103	FAN BLADE ASSEMBLY, NOTAR	5146-1356	0.00	3800 Airframe Hours	6954.15	10754.15			3702.70 Hours
90R2442012-103	FAN BLADE ASSEMBLY, NOTAR	5146-1366	0.00	3800 Airframe Hours	6954.15	10754.15			3702.70 Hours
90R2442012-103	FAN BLADE ASSEMBLY, NOTAR	5146-1380	0.00	3800 Airframe Hours	6954.15	10754.15			3702.70 Hours
90R8442009-103	FAN TENSION-TORSION STRAP	LK5294-2433	0.00	1200 Airframe Hours	6413.50	7813.50			582.05 Hours
90R8442009-103	FAN TENSION-TORSION STRAP	LK5294-2433	0.00	60 Months	06-07-2018	06-07-2023			1255.00 Days
90R8442009-103	FAN TENSION-TORSION STRAP	LK5294-2439	0.00	1200 Airframe Hours	6413.50	7813.50			582.05 Hours
90R8442009-103	FAN TENSION-TORSION STRAP	LK5294-2439	0.00	60 Months	06-07-2018	06-07-2023			1255.00 Days
90R8442009-103	FAN TENSION-TORSION STRAP	LK5294-2429	0.00	1200 Airframe Hours	6413.50	7813.50			582.05 Hours
90R8442009-103	FAN TENSION-TORSION STRAP	LK5294-2429	0.00	60 Months	06-07-2018	06-07-2023			1255.00 Days
90R8442009-103	FAN TENSION-TORSION STRAP	LK5294-2423	0.00	1200 Airframe Hours	6413.50	7813.50			582.05 Hours
90R8442009-103	FAN TENSION-TORSION STRAP	LK5294-2423	0.00	60 Months	06-07-2018	06-07-2023			1255.00 Days
90R8442009-103	FAN TENSION-TORSION STRAP	LK5294-2443	0.00	1200 Airframe Hours	6413.50	7813.50			582.05 Hours
90R8442009-103	FAN TENSION-TORSION STRAP	LK5294-2443	0.00	60 Months	06-07-2018	06-07-2023			1255.00 Days
90R8442009-103	FAN TENSION-TORSION STRAP	LK5294-2434	0.00	1200 Airframe Hours	6413.50	7813.50			582.05 Hours
90R8442009-103	FAN TENSION-TORSION STRAP	LK5294-2434	0.00	60 Months	06-07-2018	06-07-2023			1255.00 Days
90R8442009-103	FAN TENSION-TORSION STRAP	LK5294-2438	0.00	1200 Airframe Hours	6413.50	7813.50			582.05 Hours
90R8442009-103	FAN TENSION-TORSION STRAP	LK5294-2438	0.00	60 Months	06-07-2018	06-07-2023			1255.00 Days
90R8442009-103	FAN TENSION-TORSION STRAP	LK5294-2432	0.00	1200 Airframe Hours	6413.50	7813.50			582.05 Hours
90R8442009-103	FAN TENSION-TORSION STRAP	LK5294-2432	0.00	60 Months	06-07-2018	06-07-2023			1255.00 Days
90R8442009-103	FAN TENSION-TORSION STRAP	LK5294-2415	0.00	1200 Airframe Hours	6413.50	7813.50			582.05 Hours
90R8442009-103	FAN TENSION-TORSION STRAP	LK5294-2415	0.00	60 Months	06-07-2018	06-07-2023			1255.00 Days
90R8442009-103	FAN TENSION-TORSION STRAP	LK5294-2437	0.00	1200 Airframe Hours	6413.50	7813.50			582.05 Hours
90R8442009-103	FAN TENSION-TORSION STRAP	LK5294-2437	0.00	60 Months	06-07-2018	06-07-2023			1255.00 Days
90R8442009-103	FAN TENSION-TORSION STRAP	LK5294-2417	0.00	1200 Airframe Hours	6413.50	7813.50			582.05 Hours
90R8442009-103	FAN TENSION-TORSION STRAP	LK5294-2417	0.00	60 Months	06-07-2018	06-07-2023			1255.00 Days
90R8442009-103	FAN TENSION-TORSION STRAP	LK5294-2430	0.00	1200 Airframe Hours	6413.50	7813.50			582.05 Hours
90R8442009-103	FAN TENSION-TORSION STRAP	LK5294-2430	0.00	60 Months	06-07-2018	06-07-2023			1255.00 Days
90R8442009-103	FAN TENSION-TORSION STRAP	LK5294-2446	0.00	1200 Airframe Hours	6413.50	7813.50			582.05 Hours
90R8442009-103	FAN TENSION-TORSION STRAP	LK5294-2446	0.00	60 Months	06-07-2018	06-07-2023			1255.00 Days
90C2441013-109	FAN HUB, NOTAR	5039-0096	0.00	5000 Airframe Hours	6413.50	11413.50			4382.05 Hours
90R2443000-102 (LL)	FAN PITCH PLATE, NOTAR	5039-0110	0.00	3527 Airframe Hours	6959.20	9483.20			2431.75 Hours LL
90R1441004-101	FAN SUPPORT ASSY, NOTAR	007803-0058	1187.24	10000 Airframe Hours	6954.15	15758.91			8705.48 Hours
90R2444035-101	COUPLING, FAN SHAFT, NOTAR	007803-0065	1187.24	10000 Airframe Hours	6954.15	15758.91			8705.48 Hours
90C2010081-101	SPRING ASSY-GRADIENT, LONG.	81	0.00	10000 Airframe Hours	0.00	10000.00			2948.55 Hours
90C2010082-101	SPRING ASSY-GRADIENT, LATERAL	93	0.00	10000 Airframe Hours	0.00	10000.00			2948.55 Hours



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# Maintenance Tracking Report

AIRCRAFT REGISTRATION:

NG02TX DATE: 12-11-2019 PAGE NO: 6

Part No.	Description	Serial No.	Life At Install	Period	Last Done	Next Due	Remaining
452-0183 (R)	ELT Battery	170-08187	0.00	5 Years	01-31-2019	01-31-2024	1493.00 Days R
900F2401300-128	STRUT ASSY, MID AFT TRUSS, LH	009969-0141	0.00	24158 Airframe Hours	0.00	24158.00	17105.55 Hours
900F2401300-104	STRUT ASSY, MID AFT TRUSS, RH	004452-0063	0.00	On Condition	N/A	On Condition	N/A
900C3010004-115	TRIM ACTUATOR ASSY, LONGITUDE	5535-0070	0.00	On Condition	N/A	On Condition	N/A
900C3010004-109	TRIM ACTUATOR ASSY, LATERAL	063715-0068	0.00	On Condition	N/A	On Condition	N/A
900F6341712-101	BELLCRANK - EMPENNAGE (R)	5009-0628	0.00	On Condition	N/A	On Condition	N/A
900F6341712-101	BELLCRANK - EMPENNAGE (R)	5008-0035	0.00	On Condition	N/A	On Condition	N/A

Engine 1 Lfied Components

Part No.	Description	Serial No.	Life At Install	Period	Last Done	Next Due	Remaining
3058672-01 (LL)	Impeller	A000RERM	0.00	15000 Engine1 Impeller Cycles	0.00	15000.00	8666.00 Cycles LL
3049999-01	Compressor Turbine Disc	A0013TRT	0.00	10000 Engine1 CT Cycles	0.00	10000.00	3307.00 Cycles
3044188-01	Power Turbine Disc	A0013YRE	0.00	15000 Engine1 PT Cycles	0.00	15000.00	8298.00 Starts
3048225-03	Fuel Pump	244	0.00	4000 Engine1 Hours	0.00	4000.00	3079.71 Hours
3053854-01 (CH)	Turbo Machinery/Reduction Gearbox	PCE-BC0095	0.00	3500 Engine1 Hours	0.00	3500.00	2579.71 CH
8063-114	Fuel Metering Unit/Fuel Management Module	13184594	0.00	4000 Engine1 Hours	0.00	4000.00	3079.71 Hours

Engine 2 Lfied Components

Part No.	Description	Serial No.	Life At Install	Period	Last Done	Next Due	Remaining
3058672-01 (LL)	Impeller	A00287D0	0.00	15000 Engine2 Impeller Cycles	0.00	15000.00	11399.00 Cycles LL
3048999-01 (LL)	Compressor Turbine Disc	A00489Y8	0.00	10000 Engine2 CT Cycles	0.00	10000.00	9658.00 Cycles LL
3044188-01 (CH)	Power Turbine Disc	A0028CT0	0.00	15000 Engine2 PT Cycles	0.00	15000.00	8738.00 Starts CH
3053854-01	Turbo Machinery/Reduction Gearbox	PCE-BG0110	0.00	3500 Engine2 Hours	0.00	3500.00	2773.78 Hours
0970-001 (CH)	Fuel Pump	15185903	0.00	4000 Engine2 Hours	0.00	4000.00	3275.78 Hours CH
8063-114 (CH)	Fuel Metering Unit/Fuel Management Module	12288088	0.00	4000 Engine2 Hours	0.00	4000.00	3273.78 CH

ADs

Types	Subject	AD Number	Based On	Period	Warning	Last Done	Next Due	Remaining
Repetitive ADs	174:5 year TT Strap	AD 2013-03-03 TT straps	Date (Years)	5	90 Days	08-07-2018	06-07-2023	1255
Repetitive ADs	170:Para (e)(2) Blade retention bolts visual inspection for gap between thrust washer and retainer.	AD 2013-20-16	Airframe Hours	300	30 Hours	7007.82	7307.82	255.37
Repetitive ADs	168:Remove paint around fleabeam bolts and inspect. Inspect Flexbeam pockets on upper hub.	AU 2017-17-08 12 month Insp	Date (Months)	12	1 Months	07-26-2019	07-28-2020	209
Repetitive ADs	159:Para (f)(1)(i) inspection of MR flexbeam bolt holes and fillet seals.	AD 2017-17-03 MR flex beam bolt holes	Airframe Hours	100	30 Hours	7034.69	7104.69	69.24
Repetitive ADs	153:NDT MR Hub para (F) 3.1.	AD 2017-17-03	Airframe Hours	1000	100 Hours	6413.54	7413.54	362.09
Repetitive ADs	157:Para (d) and (g) remove drive plate and visually 10x inspect hub flange	AD 2002-10-05	Airframe Hours	300	30 Hours	7007.82	7307.82	256.37
Repetitive ADs	154:Para (c) & (d) TT Strap Visual and X-ray at initial 1200 hours on TT Straps then every 300 hours after	AD 2006-18-01	Airframe Hours	1200	200 Hours	6413.50	7613.50	562.05
Repetitive ADs	1:Para (c) and (g) Visual 10x inspection of hub flange outer surface	AU2002-10-05 dated 05.19.2002	Airframe Hours	100	10 Hours	7004.69	7104.69	69.24



## **N904AF Helicopter Lease Agreement**

This Helicopter Lease Agreement (this “**Agreement**”) is made this January 10, 2020 and effective January 1, 2020 (the “**Effective Date**”), by and between Leopard Aviation LLC, a Delaware limited liability company (“**Lessor**”) and Brim Equipment Leasing LLC, an Oregon limited liability company (“**Lessee**”). Each of Lessor and Lessee is sometimes hereinafter referred to as a “**Party**” and collectively as the “**Parties**” as the context requires.

WHEREAS, Lessor owns that certain MCDONNELL DOUGLAS HELICOPTER model 902N helicopter, bearing United States Registration Number N904AF, manufacturer’s serial number 900-00101, with two PRATT & WHITNEY model PW207E engines bearing manufacturer’s serial numbers BG0106 (described on the International Registry Manufactures’ List as model PW200 Series, serial number BG0106) and BG0028 (described on the International Registry Manufactures’ List as model PW200 Series, serial number BG0028), and any appliances, components, parts, instruments, appurtenances, accessories, furnishings or other equipment of whatever nature (other than the engine or complete engines) which may from time to time be incorporated or installed in or attached to the airframe or any engine and includes replacement thereof (the “**Helicopter**”); and

WHEREAS, Lessor desires to lease the Helicopter to Lessee and Lessee desires to lease the Helicopter from Lessor.

NOW THEREFORE, in consideration of the mutual covenants and promises hereinafter set forth, the Parties agree as follow:

1. **Grant of Lease; Term.** Subject to the terms and conditions set forth herein, Lessor hereby leases the Helicopter to Lessee and Lessee hereby leases the Helicopter from Lessor. The term of this Agreement shall begin on the date hereof and shall continue in effect for five (5) years, unless earlier terminated as provided herein. Each of Lessor and Lessee shall have the right to terminate this Agreement upon one hundred twenty (120) days’ written notice to the other Party for any or no reason, provided, however, that in the event the Helicopter has been committed to providing service for any customer of Lessee or any other third party, any notice of termination by Lessor with respect to such Helicopter shall not take effect until the termination of such commitment. This Agreement may also be terminated for cause in the case of an uncured Event of Default as described in Section 10 below, and shall terminate immediately and automatically without notice from either Party upon Lessee’s suspension, revocation or surrender of any of its Part 133, 135, or 137 Certificates.

2. **Delivery Condition; Acceptance; Valuation.** Lessee and Lessor acknowledge and agree that the Helicopter has been delivered to Lessee in an Airworthy Condition, with a current “Annual Inspection” and “100 Hour Inspection.” Lessor and Lessee further acknowledge and agree as to the Summary of MD 902 Component Information (the “**Component Summary**”) set forth in Exhibit A attached hereto, and to the total valuation of those certain key components of the Helicopter described in the Component Summary at the time of delivery as set forth in such Exhibit A (the “**Delivery Component Value**”). In further evidence of support, the maintenance records underpinning the Delivery Component Value is set forth in Exhibit E attached hereto.



3. Use. Lessee shall use the Helicopter in a safe and appropriate manner and shall comply with and conform to all national, state, municipal, and other laws, ordinances and regulations in any way relating to the possession, use or maintenance of the Helicopter.

4. Maintenance and Repair. Lessee shall, at its own cost and expense, repair and maintain the Helicopter so as to keep it in good working order and operating condition during the term of this Agreement, including paying for: (i) any and all pre-flight and post-flight inspections and/or recurring inspections and scheduled and/or non-scheduled maintenance, and (ii) all inspections and other maintenance necessary for the Helicopter's operation under 14 CFR Parts 91, 133, 135, and 137. Except as otherwise provided below in this Section 4, Lessee shall be responsible for any damage or repair to the Helicopter which is caused or made necessary during the term of this Agreement while the Helicopter is under Lessee's, or its employees', agents', or representatives' control. However, notwithstanding the foregoing provisions of this Section 4, Lessor shall be responsible for the cost of parts and labor to comply with non-recurring mandatory Airworthiness Directives and Service Bulletins.

5. Rental Rate. Lessee shall pay to Lessor the Aircraft Rental Rate set forth on Exhibit B attached hereto (the "Aircraft Rental Rate"). Within 20 days after the end of each month during the term of this Agreement, Lessee shall deliver to Lessor: (a) a reasonably detailed accounting statement (each, a "Monthly Statement") setting forth the amounts payable during the previous month pursuant to this Agreement; and (b) the amount, if any, payable as set forth on such Monthly Statement. Within 10 days after Lessor's receipt of any Monthly Statement showing an amount payable, Lessee shall remit such payment to Lessor.

It is understood by the Parties hereto that Lessee shall make every reasonable commercial effort to make timely payments to Lessor, and that the foregoing payment terms are not a waiver of Lessor's right to ultimately receive payment from Lessee for work properly performed under this Agreement. Lessee will not be considered in default under this Agreement if it is in compliance with any of the payment terms set forth in this paragraph.

If full payment of an overdue amount is not made by Lessee to Lessor within thirty (30) days after Lessor's receipt of any Monthly Statement, Lessor shall have the right at that time to terminate this Agreement, and Lessee will then be required to make arrangements for, and pay the cost of, return of the Helicopter to Lessor. Nothing in the foregoing sentence shall be construed as a waiver of Lessee's obligation to pay the Aircraft Rental Rate.

6. Responsibilities and Fees.

- (a) Lessor shall be responsible only for the following expenses related to the use of the Helicopter:
  - (i) Payment of all debt service, license and federal, state and local registration fees;
  - (ii) Any applicable property taxes due for the ownership and operation of the Helicopter; and

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- (iii) The cost of parts and labor to comply with non-recurring mandatory Airworthiness Directives and non-recurring mandatory Service Bulletins.
- (b) Lessee shall be responsible for all other expenses, including but not limited to the following:
  - (i) Hangar storage;
  - (ii) Insurance on the Helicopter, as described in Section 8, below;
  - (iii) Fuel and regular operating oil; and
  - (iv) maintenance required (A) on account of accident, foreign object damage or misuse of the Helicopter or (B) all pre-flight and post-flight inspections and/or recurring inspections and scheduled and/or non-scheduled maintenance, and (C) all inspections and other maintenance necessary for the Helicopter's operation under 14 CFR Parts 133, 135, and 137.

7. Surrender. Upon the expiration of this Agreement, Lessee shall return the Helicopter to Lessor in good repair, condition and mechanical working order and unless otherwise provided for herein shall pay for all parts, mechanisms, devices, or materials required to make it so at the time of surrender, ordinary wear and tear resulting from proper use thereof excepted, by delivering the Helicopter, at Lessee's cost and expense, to a specified mutually agreeable location in the contiguous 48 United States.

Additionally, the total valuation of the key components of the Helicopter used to determine the Delivery Component Value will be determined as of the date of surrender (the "**Surrender Component Value**"), by referencing Lessee's maintenance records and utilizing the baseline values set forth in the Component Summary. If the Surrender Component Value exceeds the Delivery Component Value, Lessor will promptly pay to Lessee the difference between the Surrender Component Value and the Delivery Component Value, and conversely, if the Delivery Component Value exceeds the Surrender Component Value, Lessee will promptly pay to Lessor the difference between the Delivery Component Value and the Surrender Component Value. For illustrative purposes only, an example of the process described in this paragraph is attached hereto as Exhibit C (providing an example where Lessee pays Lessor) and Exhibit D (providing an example where Lessor pays Lessee).

8. Insurance. Lessee shall procure and continuously maintain insurance for all risk against loss of, or damage to, the Helicopter, and shall procure and continuously maintain liability and any other applicable property damage insurance. A copy of the coverages/policies maintained by Lessee has been provided to Lessor, and Lessor hereby agrees that such coverage is acceptable. Lessee shall provide reasonable evidence of such policy on an annual basis. Such policy shall name Lessor as additionally insured and shall also name Lessor as a loss

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payee on the hull coverage. Lessee shall also provide Lessor with a certificate evidencing such insurance.

9. Mutual Indemnity. Each Party hereto (the “**Indemnifying Party**”) will indemnify, defend and hold harmless the other Party hereto (the “**Indemnified Party**”) and its affiliate companies, and its and their respective directors, officers, employees, agents, successors and assigns, from and against any and all third party claims, liabilities, obligations, costs, expenses and reasonable attorneys’ fees (collectively, “**Damages**”) arising out of or related to (a) the Indemnifying Party’s actual or alleged breach of this Agreement (including, without limitation, any warranty, representation or obligation herein), and/or (b) any act, omission, conduct or negligence in connection with the Indemnifying Party’s performance hereunder. This Section 9 will survive expiration or termination of this Agreement for any reason.

10. Default and Remedies. It shall be an Event of Default if Lessee or Lessor fails to observe, keep or perform any material provision of this Agreement required to be observed.

Upon the occurrence of an Event of Default by Lessor which is not cured within ten (10) days of receipt of written notice of the occurrence from Lessee, Lessee shall, as its sole and exclusive remedy, have the right to terminate this Agreement.

Upon the occurrence of an Event of Default by Lessee which is not cured within ten (10) days of receipt of written notice of the occurrence from Lessor, Lessor shall as its sole and exclusive remedy, have the right to exercise any one or more of the following remedies:

- (a) take possession of the Helicopter, without demand or notice, wherever it may be located, without court order or other process of law; and
- (b) terminate this Agreement;

Nothing in the foregoing clause shall be construed to relieve Lessee of its obligations to pay all amounts due under the Aircraft Rental Rate.

11. Ownership and Rights. The Helicopter is, and shall at all times be and remain, the sole and exclusive property of Lessor. Lessee shall have no right, title or interest therein or thereto except as expressly set forth in this Agreement.

12. Notices. Any notice required or permitted under this Agreement shall be given in writing and shall be effective for all purposes if hand-delivered to the Party designated below or if sent by (a) certified or registered United States mail, postage prepaid, (b) by expedited delivery service, either commercial or United States Postal Service, with proof of delivery, or (c) by facsimile (provided that such facsimile is confirmed by expedited delivery service or by mail in the manner previously described), addressed as follows:

If to Lessee:

Brim Equipment Leasing LLC  
Attention: Julie Brim, President

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Physical Address: 445 Dead Indian Memorial Rd,  
Ashland, OR 97520  
Mailing Address: PO Box 3009, Ashland, OR  
97520  
Email: [Julie@brimaviation.com](mailto:Julie@brimaviation.com)

with a copy to Wexford Capital LP  
411 West Putman Ave.  
Greenwich, CT 06830  
Attn: Legal  
Email: [legal@wexford.com](mailto:legal@wexford.com)

If to Lessor: Leopard Aviation LLC  
Mark Layton  
Chief Financial Officer  
14201 Caliber Drive, Suite 300  
Oklahoma City, OK 73134  
Phone: 405.563.9961  
Email: [mLAYTON@mammothenergy.com](mailto:mLAYTON@mammothenergy.com)

With a copy to: J. Matthew Thompson  
Senior Counsel  
14201 Caliber Drive, Suite 300  
Oklahoma City, OK 73134  
Phone: 405.286.2077  
Email: [matt.thompson@mammothenergy.com](mailto:matt.thompson@mammothenergy.com)

With a copy to: McAfee & Taft A Professional Corporation  
Scott D. McCreary / John R. Chubbuck  
10th Floor, Two Leadership Square  
211 N Robinson  
Oklahoma City OK 73102-7103  
Phone: 405.235.9621  
Email: [Scott.mccreary@mcafeetaft.com](mailto:Scott.mccreary@mcafeetaft.com)  
Email: [john.chubbuck@mcafeetaft.com](mailto:john.chubbuck@mcafeetaft.com)

or to such other address and person as shall be designated from time to time by Lessee or Lessor, as the case may be, in a written notice to the other in the manner provided for in this Section 12. The notice shall be deemed to have been given at the time of delivery if hand-delivered, or on the next business day after transmission if sent by confirmed facsimile, or in the case of registered or certified mail, on the third business day after deposit in the United States mail, or if by expedited delivery, upon the first attempted delivery on a business day. A Party receiving notice which does not comply with the technical requirements for notice under this Section 12 may elect to waive any deficiencies and treat the notice as having been properly given.



13. Representations and Warranties of Lessee. Lessee represents and warrants as of the date hereof and during the entire term of this Agreement as follows:

(a) Lessee is a validly organized limited liability company under the laws of the State of Oregon, and the person executing on behalf of Lessee has full power and authority to execute this Agreement on behalf of Lessee and by such execution shall bind Lessee under this Agreement.

(b) No action, suit, or proceeding is currently pending or threatened against Lessee which shall in any material way affect Lessee's financial status as of the date thereof, or impair the execution, delivery, or performance by Lessee of this Agreement.

(c) The execution and delivery of this Agreement by Lessee and the performance of its obligations hereunder have been duly authorized by all necessary corporate or limited liability company action, and do not conflict with any provision of Lessee's articles of organization, bylaws, operating agreement, any governmental regulations, or any other agreements that Lessee may now have with other parties.

(d) Lessee is not subject to any restriction, which with or without the giving of notice, the passage of time, or both, prohibits or would be violated by or be in conflict with this Agreement.

(e) Lessee will not permit the Helicopter to be operated in any unsafe manner or contrary to any manual or instructions for the Helicopter or in material violation of the terms or conditions of any insurance policy covering the Helicopter or any applicable statute, regulation, ordinance, or other law.

14. Representations and Warranties of Lessor. Lessor represents and warrants as of the date hereof and during the entire term of this Agreement as follows:

(a) Lessor is a validly organized limited liability company under the laws of the State of Delaware, and has full power and authority to execute this Agreement on behalf of Lessor and by such execution shall bind Lessor under this Agreement.

(b) No action, suit, or proceeding is currently pending or threatened against Lessor which shall in any material way affect Lessor's financial status as of the date thereof, or impair the execution, delivery, or performance by Lessor of this Agreement.

(c) The execution and delivery of this Agreement by Lessor and the performance of its obligations hereunder have been duly authorized by all necessary corporate or limited liability company action, and do not conflict with any provision of Lessor's articles of organization, bylaws, operating agreement, any governmental regulations, or any other agreements that Lessee may now have with other parties.

(d) Lessor is not subject to any restriction, which with or without the giving of notice, the passage of time, or both, prohibits or would be violated by or be in conflict with this Agreement.

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15. Assignment. Lessee shall not assign this Agreement or its interest in the Helicopter without prior written consent of Lessor. Any such attempted assignment shall be null and void.

16. Force Majeure. Non-performance of either Party shall be excused to the extent that performance is rendered impossible by acts of God, public enemies, war, civil disorder, labor disputes or strikes, fire, flood, explosion, governmental acts, orders or restrictions, or any other reason where failure to perform is beyond the control and not caused by the negligence of the non-conforming Party.

17. Waiver. In no event shall any Party be liable for any claimed indirect, special, incidental, consequential or punitive damages, or for any damages consisting of damages for loss of use, revenue, profit, business opportunities and the like, even if the Party had been advised of, or knew or should have known of, the possibility of such damages.

18. Governing Law. This Agreement has been delivered in the State of Delaware and shall in all respects be governed by, and construed in accordance with, the laws of the State of Delaware including all matters of construction, validity and performance, without giving effect to its conflict of laws provisions.

19. Jurisdiction and Venue. Exclusive jurisdiction and venue over any and all disputes between the Parties arising under this Agreement shall be in, and for such purpose each Party hereby submits to the jurisdiction of, the state and federal courts serving the State of Oregon.

20. Severability. If any provision of this Agreement is or becomes illegal, invalid or void under any applicable state or federal law under which performance hereunder is required, such provision will be considered severable, and the remaining provisions hereof will not be impaired, and this Agreement will be interpreted as far as possible so as to give effect to its stated purpose.

21. Execution. This Agreement may be executed in counterparts, each of which will be considered an original and all of which together will constitute one and the same agreement. Facsimile or other electronically transmitted signatures of this Agreement will constitute original signatures. At the request of any Party, the Parties will confirm facsimile or other electronically transmitted signatures by signing an original document.

22. Further Assurances. Each Party agrees to execute and deliver such other documents and to do and perform such other acts and things as the other Party may reasonably request to carry out the intent and accomplish the purposes of this Agreement.

23. Exhibits. The Exhibits referenced in this Agreement are part of this Agreement as if fully set forth in this Agreement.

24. Entire Agreement. The Parties acknowledge that this Agreement is the complete and exclusive statement of the mutual understanding of the Parties with respect to the subject

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matter hereof and supersedes and cancels all conflicting terms and conditions and all previous and contemporaneous written and oral agreements and communications relating to such subject matter. This Agreement may not be modified or amended except by a written amendment which states that it is intended to amend this Agreement and is executed by a duly authorized representative of each Party. This Agreement will be construed without regard to any presumption or other rule requiring construction against the Party causing this Agreement to be drafted.

[signature page to follow]

|



IN WITNESS WHEREOF, the Parties hereto have executed this Agreement as of the day and year first above written.

**LESSOR:** Arty Strachuk  
Leopard Aviation LLC  
By: ARTY STRACHUK  
Title: CEO

**LESSEE:** JR  
Brim Equipment Leasing LLC  
By: JULIE BRIM  
Title: PRESIDENT



**Exhibit A**  
**Component Summary; Delivery Component Value**

Summary of MD 502 Component Information										Delivery Component Value									
Description	Part Number	Term	Component Life		Cost		Last Done		Status		Next Due		Remaining		Key Component Value (2)		Total		
			Years	Hours	Total (1)	\$ / Day	\$ / Hour	Date	Hobbs	Days	Hours	Date	Hobbs	Days	Hours	Days		Hours	
Engine Fire Bottles (set of 2)	900P269000-10	Retire	5	-	\$35,000	\$19.16	-	11/20/16	-	1,126	-	11/20/21	-	700	-	\$13,425	-	\$13,425	
Hydraulic Pump Assy	900H3821501-10	Overhauled	-	4,000	\$84,500	-	\$21.13	-	284	-	1,238	4,284	-	2,763	-	\$58,358	-	\$58,358	
Damper Assy LDG Gear (2)	900F3281040-10	Retire	-	30,000	\$58,500	-	\$1.95	-	-	3,781	-	30,000	-	26,219	-	\$51,127	-	\$51,127	
Starter/Generator	23081-070	Overhauled	-	1,200	\$24,000	-	\$20.00	-	599	-	525	2,199	-	875	-	\$13,503	-	\$13,503	
Blade Assy, M/R (set of 5)	900R1150003-10	Retire	-	11,460	\$835,500	-	\$72.91	1,324	-	1,313	-	11,671	-	10,147	-	\$738,808	-	\$738,808	
Fleabeam Assy, M/R (set of 5)	900R1103001-11	Retire	-	10,000	\$380,000	-	\$38.00	601	-	722	10,801	-	9,278	-	\$361,837	-	\$361,837		
Upper Hub Assy, M/R	900R2101006-10	Overhauled	-	10,000	\$19,000	-	\$1.90	872	-	651	10,672	-	9,349	-	\$17,763	-	\$17,763		
Lower Hub Assy, M/R	900R2101008-10	Overhauled	-	10,750	\$10,000	-	\$0.93	872	-	651	11,822	-	10,659	-	\$9,394	-	\$9,394		
Swashplate Assy, Rotating	900C2010188-10	Retire	-	6,808	\$18,500	-	\$2.72	-	-	1,523	6,803	-	5,285	-	\$14,360	-	\$14,360		
Swashplate Assy, Non-Rotating	900C2010192-11	Retire	-	1,200	\$12,500	-	\$10.42	872	-	51	2,672	-	1,149	-	\$11,967	-	\$11,967		
BRG, Angular Contact, M/R Swashplate	900C2010190-10	Retire	-	2,000	\$38,500	-	\$19.25	1,220	-	304	3,220	-	1,696	-	\$32,656	-	\$32,656		
BRG, Plain, Spherical/Glder M/R	900C2010042-10	Retire	-	12,867	\$88,500	-	\$7.69	419	-	1,105	13,226	-	11,702	-	\$90,002	-	\$90,002		
M/R Transmission Assy (4)	900D1400005-10	Overhauled	-	3,000	\$418,000	-	\$139.3	-	-	1,477	3,000	-	1,523	-	\$212,282	-	\$212,282		
Fan Blade Assy Natar(set of 13)	900R8442012-10	Retire	-	3,800	\$25,500	-	\$6.7	1,247	-	276	5,047	-	3,524	-	\$23,647	-	\$23,647		
Fan Tension-Tension Strip (set of 13)	900R8442009-10	Retire	-	1,200	\$33,000	-	\$27.5	1,144	-	379	2,344	-	821	-	\$22,566	-	\$22,566		
Engine Overhaul (1 of 2)	3053856-01	Overhauled	-	3,500	\$550,000	-	\$157.14	-	-	2,526	3,500	-	874	-	\$153,136	-	\$153,136		
Engine Overhaul (2 of 2) (5)	3053856-01	Overhauled	-	3,500	\$550,000	-	\$157.14	-	-	3,500	3,500	-	-	-	-	-	-		
																	\$1,486,516		

(1) Indicative current cost data provided by component vendors or OEM  
 (2) Key Component Value calculated by taking the days or hours remaining multiplied by the \$ / day or \$ / hour  
 (3) Based on # of landings  
 (4) Older M/R Transmission Assembly that is an "On Condition" item; assume 3,000FH maintenance event as similar to newer versions of M/R Transmission Assembly  
 (5) The engine is currently being overhauled to zero Hobbs hours exist on this engine. Birm plans to directly pay for the ~\$550k overhaul.

**Exhibit B Aircraft  
Rental Amount**

**Aircraft Rental Rate: \$317 per each flight hour**

In determining the monthly Aircraft Rental Rate for the Helicopter, flight hours will be determined based on monthly average flight hours of all MD 902 aircraft (including the Helicopter) which are owned or leased in any particular month by Lessee (prorated for partial month ownership/leasing), and not on actual flight hours of solely the Helicopter.

For illustrative purposes only, the following examples are included:

*Example 1: In a particular month, Lessee owns or leases a total of four MD 902 aircraft, including the Helicopter.*

*The actual usage of each aircraft is as follows:*

*Helicopter = 50 flight hours  
Aircraft No. 2 = 100 flight hours  
Aircraft No. 3 = 90 flight hours  
Aircraft No. 4 = 0 flight hours*

*Average flight hour utilization per aircraft =  $(50 + 100 + 90 + 0) / 4 = 240 / 4 = 60$  flight hours*

*The Aircraft Rental Rate for the Helicopter for such month =  $60 \text{ hours} \times \$317 = \$19,020$*

*Example 2: In a particular month, Lessee owns or leases a total of four MD 902 aircraft, including the Helicopter.*

*The actual usage of each aircraft is as follows:*

*Helicopter = 0 flight hours  
Aircraft No. 2 = 100 flight hours  
Aircraft No. 3 = 100 flight hours  
Aircraft No. 4 = 0 flight hours*

*Average flight hour utilization per aircraft =  $(0 + 100 + 100 + 0) / 4 = 200 / 4 = 50$  flight hours*

*The Aircraft Rental Rate for the Helicopter for such month =  $50 \text{ hours} \times \$317 = \$15,850$*

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Exhibit C  
Illustrative Example of Surrender Calculations – Lessee Pays Lessor Key Component Value Difference

N904AF														
As of 12/31/2019														
Summary of MD 902 Component Information						Delivery Component Value			Surrender Component Value			Payment At End of Lease (6,7)		
Description	Term	Component Life		Cost		Key Component Value (2)			Key Component Value (2)			Cobra Payments	Brim Payments	Net Cobra / (Brim)
		Years	Hours	Total (1)	\$ / Day	\$ / Hour	Days	Hours	Total	Days	Hours			
Engine Fire Bottles (set of 2)	Retire	5	-	\$35,000	\$19.18	-	\$13,425	\$13,425	\$31,088	-	\$31,088	\$17,663	-	\$17,663
Hydraulic Pump Assy	Overhauled	-	4,000	\$84,500	\$21.13	-	\$58,358	\$58,358	-	\$52,522	\$52,522	-	(\$5,836)	(\$5,836)
Damper Assy LDG Gear (3)	Retire	-	30,000	\$58,500	\$1.95	-	\$51,127	\$51,127	-	\$46,014	\$46,014	-	(\$5,113)	(\$5,113)
Starter/Generator	Overhauled	-	1,200	\$24,000	\$20.00	-	\$13,503	\$13,503	-	\$12,153	\$12,153	-	(\$1,350)	(\$1,350)
Blade Assy, M/R (set of 5)	Retire	-	11,460	\$835,500	\$72.91	-	\$739,808	\$739,808	-	\$665,827	\$665,827	-	(\$73,981)	(\$73,981)
Flexbeam Assy, M/R (set of 5)	Retire	-	10,000	\$390,000	\$39.00	-	\$301,837	\$301,837	-	\$325,653	\$325,653	-	(\$36,184)	(\$36,184)
Upper Hub Assy, M/R	Overhauled	-	10,000	\$19,000	\$1.90	-	\$17,763	\$17,763	-	\$15,986	\$15,986	-	(\$1,776)	(\$1,776)
Lower Hub Assy, M/R	Overhauled	-	10,750	\$10,000	\$0.93	-	\$9,394	\$9,394	-	\$8,455	\$8,455	-	(\$939)	(\$939)
Swashplate Assy, Rotating	Retire	-	6,808	\$18,500	\$2.72	-	\$14,360	\$14,360	-	\$12,924	\$12,924	-	(\$1,436)	(\$1,436)
Swashplate Assy, Non-Rotating	Retire	-	1,200	\$12,500	\$10.42	-	\$11,967	\$11,967	-	\$10,770	\$10,770	-	(\$1,197)	(\$1,197)
BRG, Angular Contact, M/R Swashplate	Retire	-	2,000	\$38,500	\$19.25	-	\$32,656	\$32,656	-	\$29,390	\$29,390	-	(\$3,266)	(\$3,266)
BRG, Plain, Spherical/Slider M/R	Retire	-	12,807	\$88,500	\$7.69	-	\$90,002	\$90,002	-	\$81,002	\$81,002	-	(\$9,000)	(\$9,000)
M/R Transmission Assy (4)	Overhauled	-	3,000	\$418,000	\$139.3	-	\$212,202	\$212,202	-	\$191,036	\$191,036	-	(\$21,226)	(\$21,226)
Fan Blade Assy Notar(set of 13)	Retire	-	3,600	\$25,500	\$6.7	-	\$23,647	\$23,647	-	\$21,282	\$21,282	-	(\$2,365)	(\$2,365)
Fan Tension-Torsion Strap (set of 13)	Retire	-	1,200	\$33,000	\$27.5	-	\$22,566	\$22,566	-	\$20,310	\$20,310	-	(\$2,257)	(\$2,257)
Engine Overhaul (1 of 2)	Overhauled	-	3,500	\$550,000	\$157.14	-	\$153,136	\$153,136	-	\$137,822	\$137,822	-	(\$15,314)	(\$15,314)
Engine Overhaul (2 of 2) (5)	Overhauled	-	3,500	\$550,000	\$157.14	-	-	-	-	-	-	-	-	-
							\$1,825,910			\$1,592,126				(\$163,575)

(1) Indicative current cost data provided by component vendors or OEM  
(2) Key Component Value calculated by taking the days or hours remaining multiplied by the \$ / day or \$ / hour  
(3) Based on # of landings  
(4) Older M/R Transmission Assembly that is an "On Condition" item; assume 3,000FH maintenance event as similar to newer versions of M/R Transmission Assembly  
(5) The engine is currently being overhauled so zero Hobbs hours exist on this engine. Brim plans to directly pay for the \$4550k overhaul.  
(6) At the end of the lease term or end of early lease termination, the net Cobra or Brim payment is calculated by taking the Surrender Component Value minus the Delivery Surrender Value  
(7) If the Surrender Component Value exceeds the Delivery Component Value, Lessor will promptly pay to Lessee the difference between the Surrender Component Value and the Delivery Component Value, and conversely, if the Delivery Component Value exceeds the Surrender Component Value, Lessee will promptly pay to Lessor the difference between the Delivery Component Value and the Surrender Component Value

**Exhibit D**  
**Illustrative Example of Surrender Calculations – Lessor Pays Lessee Key Component Value Difference**

N904AF															
As of 12/31/2019															
Summary of MD 902 Component Information							Delivery Component Value			Surrender Component Value			Payment At End of Lease (5,7)		
Description	Term	Component Life		Cost			Key Component Value (2)			Key Component Value (2)			Cobra Payments	Brim Payments	Net Cobra / (Brim)
		Years	Hours	Total (1)	\$ / Day	\$ / Hour	Days	Hours	Total	Days	Hours	Total			
Engine Fire Bottles (set of 2)	Retire	5	-	\$35,000	\$19.18	-	113,425	-	\$13,425	\$31,088	-	\$31,088	\$17,663	-	\$17,663
Hydraulic Pump Assy	Overhauled	-	4,000	\$84,500	-	\$21.13	-	\$58,358	\$58,358	-	\$64,194	\$64,194	\$5,836	-	\$5,836
Damper Assy LDG Gear (3)	Retire	-	30,000	\$58,500	-	\$1.95	-	\$51,127	\$51,127	-	\$56,240	\$56,240	\$5,113	-	\$5,113
Starter/Generator	Overhauled	-	1,200	\$24,000	-	\$20.00	-	\$13,503	\$13,503	-	\$14,853	\$14,853	\$1,350	-	\$1,350
Blade Assy, M/R (set of 5)	Retire	-	11,460	\$835,500	-	\$72.91	-	\$739,808	\$739,808	-	\$813,788	\$813,788	\$73,981	-	\$73,981
Flexbeam Assy, M/R (set of 5)	Retire	-	10,000	\$390,000	-	\$39.00	-	\$361,837	\$361,837	-	\$398,021	\$398,021	\$36,184	-	\$36,184
Upper Hub Assy, M/R	Overhauled	-	10,000	\$19,000	-	\$1.90	-	\$17,763	\$17,763	-	\$19,539	\$19,539	\$1,776	-	\$1,776
Lower Hub Assy, M/R	Overhauled	-	10,750	\$10,000	-	\$0.93	-	\$9,394	\$9,394	-	\$10,334	\$10,334	\$939	-	\$939
Swashplate Assy, Rotating	Retire	-	6,808	\$18,500	-	\$2.72	-	\$14,360	\$14,360	-	\$15,796	\$15,796	\$1,436	-	\$1,436
Swashplate Assy, Non-Rotating	Retire	-	1,200	\$12,500	-	\$10.42	-	\$11,967	\$11,967	-	\$13,163	\$13,163	\$1,197	-	\$1,197
BRG, Angular Contact, M/R Swashplate	Retire	-	2,000	\$38,500	-	\$19.25	-	\$32,656	\$32,656	-	\$35,922	\$35,922	\$3,266	-	\$3,266
BRG, Plain, Spherical/Slider M/R	Retire	-	12,807	\$68,500	-	\$7.69	-	\$90,002	\$90,002	-	\$99,002	\$99,002	\$9,000	-	\$9,000
M/R Transmission Assy (4)	Overhauled	-	3,000	\$418,000	-	\$139.3	-	\$212,262	\$212,262	-	\$233,488	\$233,488	\$21,226	-	\$21,226
Fan Blade Assy Notar(set of 13)	Retire	-	3,800	\$25,500	-	\$6.7	-	\$23,647	\$23,647	-	\$26,012	\$26,012	\$2,365	-	\$2,365
Fan Tension-Torsion Strip (set of 13)	Retire	-	1,200	\$33,000	-	\$27.5	-	\$22,566	\$22,566	-	\$24,823	\$24,823	\$2,257	-	\$2,257
Engine Overhaul (1 of 2)	Overhauled	-	3,500	\$550,000	-	\$157.14	-	\$153,136	\$153,136	-	\$168,449	\$168,449	\$15,314	-	\$15,314
Engine Overhaul (2 of 2) (5)	Overhauled	-	3,500	\$550,000	-	\$157.14	-	-	-	-	-	-	-	-	-
									\$1,033,816			\$2,094,771			\$198,902

(1) Indicative current cost data provided by component vendors or OEM  
 (2) Key Component Value calculated by taking the days or hours remaining multiplied by the \$ / day or \$ / hour  
 (3) Based on # of landings  
 (4) Older M/R Transmission Assembly that is an "On Condition" item; assume 3,000FH maintenance event as similar to newer versions of M/R Transmission Assembly  
 (5) The engine is currently being overhauled so zero Hobbs hours exist on this engine. Brim plans to directly pay for the ~\$550k overhaul.  
 (6) At the end of the lease term or end of early lease termination, the net Cobra or Brim payment is calculated by taking the Surrender Component Value minus the Delivery Surrender Value  
 (7) If the Surrender Component Value exceeds the Delivery Component Value, Lessor will promptly pay to Lessee the difference between the Surrender Component Value and the Delivery Component Value, and conversely, if the Delivery Component Value exceeds the Surrender Component Value, Lessee will promptly pay to Lessor the difference between the Delivery Component Value and the Surrender Component Value

**Exhibit E**  
**Run Sheets**

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BRIM AVIATION  
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## Maintenance Tracking Report

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### GENERAL DETAILS

Operator: Brim Aviation	#1 Engine Type:	
Serial No: 900-00101	Part No: PW207E	Part No: PW207E
A/C Type: MD 902	Serial No: BG0106	Serial No: BG0028
Year: 0000-00-00		
Flight Manual Revision:		
Empty Weight (kg): 0.00		

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### MAINTENANCE DETAILS

Date Of Values: 11-23-2019

Airframe:	1523.41 hours	53.00 hook hours	0.00 hoist cycles	3781.00 landings
Engine 1:	2525.50 hours	2267.00 Impeller cycles	4010.00 CT cycles	4097.00 PT cycles
Engine 2:	755.41 hours	6462.00 Impeller cycles	9149.00 CT cycles	9424.00 PT cycles
RINs:	0.00			



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# Maintenance Tracking Report

AIRCRAFT REGISTRATION:

N904AF

DATE:

11-23-2019

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Inspection Type	Inspection	Reference	Period	Last Done	Next Due	Remaining
General	6 Month Special Inspection		6 Months	05-12-2019	12-12-2019	-18 Days
General	1200 Hour Special Inspection		12 Months	12-14-2018	12-14-2019	-16 Days
Engine Scheduled	12 MONTH INSPECTION ENGINE 1		12 Months	12-14-2018	12-14-2019	-16 Days
Engine Scheduled	12 MONTH INSPECTION ENGINE 2		12 Months	12-14-2018	12-14-2019	-16 Days
General	500 Hour 1 Year Special Inspection		12 Months	12-14-2018	12-14-2019	-16 Days
General	1 Year Special Inspection		12 Months	12-14-2018	12-14-2019	-16 Days
General	Emergency Locator Transmitter Inspection	IAW FAR 91.207 (g)	12 Months	12-14-2018	12-14-2019	-16 Days
Airframe Inspection	Full AD Audit		1 Years	00-00-0000	12-14-2019	-16 Days
<b>Limitation Note: Fully Audit all AD's and verify compliance, also verify that there are no new AD's</b>						
Airframe		Reference	Period	Last Done	Next Due	Remaining
Scheduled Inspections	Periodic Inspection 1-7	MD900 RMM 05-20-20 Table 201	1 Years	12-14-2018	12-14-2019	-16 Days
Airframe Inspection	ICA Concorde Battery	CMM 5-0170	12 Months	12-18-2018	12-18-2019	-12 Days
Airframe Inspection	ICA Wire Strike	Magellan PM-965-015	12 Months	12-18-2018	12-18-2019	-12 Days
Airframe Inspection	ICA MDHI Nose Mount	CSP900 Sec 13 (c)(d)(e)	12 Months	12-18-2018	12-18-2019	-12 Days
Airframe Inspection	ICA Barrier Filter Cleaning/Inspect	Donaldson ICA AFS-MD900-IBF	12 Months	12-18-2018	12-18-2019	-12 Days
General	5000 Hour Special Inspection Completed (2500 hours thereafter)		2500 Airframe Hours	0.00	0.00	0.00 Hours
Lubrication	Holst Gearbox lube		12 Months	00-00-0000	00-00-0000	0 Day
General	INSPECTION 1 (NOSE & COCKPIT)		12 Months	00-00-0000	00-00-0000	0 Day
General	INSPECTION 2 (CABIN COMP.)		12 Months	00-00-0000	00-00-0000	0 Day
General	INSPECTION 3 (M/R & UPR DECK)		12 Months	00-00-0000	00-00-0000	0 Day
General	INSPECTION 4 (LANDING GEAR)		12 Months	00-00-0000	00-00-0000	0 Day
General	INSPECTION 5 (POWERPLANT)		12 Months	00-00-0000	00-00-0000	0 Day
General	INSPECTION 6 (BAGGAGE, TB EMP.)		12 Months	00-00-0000	00-00-0000	0 Day
Airframe Inspection	ICA Barrier Filter Cleaning/Inspect	Donaldson ICA AFS-MD900-IBF	300 Airframe Hours	1247.28	1547.28	23.87 Hours
General	300 Hour Special Inspection		300 Airframe Hours	1247.28	1547.28	23.87 Hours
General	Cockpit Fire Extinguisher		30 Days	12-03-2019	01-02-2020	3 Days
General	50 Hour Special Inspection		50 Airframe Hours	1520.19	1570.19	46.78 Hours
Airframe Inspection	ICA Honeywell Traffic Avoidance	KTA870 ICA 006-10609-003	100 Airframe Hours	1520.19	1620.19	96.78 Hours
Airframe Inspection	ICA Onboard Systems Hook Clean/Lube/Inspect	MDHI CSP900-S8 Table 601	100 Airframe Hours	1520.19	1620.19	96.78 Hours
General	100 Hour Special Inspection		100 Airframe Hours	1520.19	1620.19	96.78 Hours
Engine Inspection	Power Assurance Check Engine #1		150 Engine1 Hours	2479.86	2629.86	104.36 Hours
General	400 Hour Special Inspection		400 Airframe Hours	1247.28	1647.28	123.87 Hours
General	500 Hour 1 Year Special Inspection		500 Airframe Hours	1247.28	1747.28	223.87 Hours
General	1000 Hour Special Inspection		1000 Airframe Hours	872.20	1872.20	348.79 Hours
Scheduled Inspections	600 Hour 1 Year Transmission Fluid Change		600 Airframe Hours	1352.50	1952.50	429.09 Hours
General	2000 Hour Special Inspection		2000 Airframe Hours	0.00	2000.00	476.59 Hours
Engine Scheduled	800 HR. INSPECTION ENGINE 1		800 Engine1 Hours	2249.54	3049.54	524.04 Hours
General	600 Hour Special Inspection		600 Airframe Hours	1461.56	2061.56	538.15 Hours
Engine Inspection	900hr Fuel nozzle inspection Engine #1		900 Engine1 Hours	2249.54	3149.54	624.04 Hours
Engine Inspection	Power Assurance Check Engine #2		150 Engine2 Hours	1439.02	1589.02	833.61 Hours
General	1200 Hour Special Inspection		1200 Airframe Hours	1247.28	2447.28	923.87 Hours
Airframe Inspection	2500hr inspection		2500 Airframe Hours	0.00	2500.00	976.59 Hours



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# Maintenance Tracking Report

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Engine	Reference	Period	Last Done	Next Due	Remaining		
Engine Scheduled	800 HR. INSPECTION ENGINE 2	800 Engine2 Hours	1208.44	2008.44	1253.03 Hours		
Engine Inspection	900hr Fuel nozzle inspection Engine #2	900 Engine2 Hours	1208.44	2108.44	1353.03 Hours		
<b>ICA#39;s</b>							
Airframe Inspection	ICA GNS430W	ICA 190-00356-65	12 Months	05-31-2019	05-31-2020	153 Days	
Airframe Inspection	ICA TDFM 136B	ICA 06RE378	12 Months	05-31-2019	05-31-2020	153 Days	
Airframe Inspection	ICA Honeywell Traffic Avoidance	KTAB70 ICA 006-10609-003	12 Months	05-31-2019	05-31-2020	153 Days	
Airframe Inspection	ICA Onboard Systems Hook Clean/Lube/Inspect	MDHI CSP900-S8 Table 601	12 Months	05-31-2019	05-31-2020	153 Days	
Airframe Inspection	ICA Northam Cockpit Sliding window	Northam Manual STC006	12 Months	06-18-2019	06-18-2020	171 Days	
Scheduled Inspections	600 Hour/ 1 Year Transmission Fluid Change		12 Months	08-03-2019	08-03-2020	217 Days	
General	2 Year Special Inspection		24 Months	12-14-2018	12-14-2020	350 Days	
General	Pilot-Static System Inspection	14 CFR 91.411	24 Months	05-30-2019	05-30-2021	517 Days	
General	Transponder System Inspection	14 CFR 91.413	24 Months	05-30-2019	05-30-2021	517 Days	
General	Aircraft Re-Weigh		36 Months	05-31-2019	05-31-2022	883 Days	
General	5 Year Special Inspection		60 Months	12-14-2018	12-14-2023	1445 Days	
<b>Airframe Lived Components</b>							
Part No.	Description	Serial No.	Life At Install	Period	Last Done	Next Due	Remaining
900P9690000-101	ENGINE FIRE BOTTLE	0375	0.00	5 Years	12-31-2017	12-31-2022	1097.00 Days
900P9690000-101	ENGINE FIRE BOTTLE	0175	0.00	5 Years	10-31-2015	10-31-2020	306.00 Days
900P9690001-101	CARTRIDGE, ENGINE FIRE EX, PRIMARY	01045	0.00	12 Years	06-30-2017	06-30-2029	3470.00 Days
900P9690001-101	CARTRIDGE, ENGINE FIRE EX, PRIMARY	00978	0.00	10 Years	07-31-2016	07-31-2026	2405.00 Days
900P9690002-101	CARTRIDGE, ENGINE FIRE EX, SECONDARY	01000	0.00	12 Years	11-30-2016	11-30-2028	3258.00 Days
900P9690002-101	CARTRIDGE, ENGINE FIRE EX, SECONDARY	00896	0.00	10 Years	04-30-2016	04-30-2026	2313.00 Days
900H3821501-105	HYDRAULIC PUMP ASSY	MX568405	0.00	4000 Airframe Hours	568.60	4568.60	3045.19 Hours
900H3821501-105	HYDRAULIC PUMP ASSY	MX618962	0.00	4000 Airframe Hours	0.00	4000.00	2476.59 Hours
900F3361040-107	DAMPER ASSY, LDG GEAR,	004736-0149	0.00	30000 Airframe Landings	0.00	30000.00	26219.00 Landings
900F3361040-107	DAMPER ASSY, LDG GEAR,	004736-0241	0.00	30000 Airframe Landings	0.00	30000.00	26219.00 Landings
23081-070	STARTER / GENERATOR,	Y0208	0.00	1200 Airframe Hours	1194.32	2394.32	870.91 Hours
23081-070	STARTER / GENERATOR,	99419	0.00	1200 Airframe Hours	802.80	2002.80	479.39 Hours
900R1150003-101	BLADE ASSEMBLY, M/R	009999-0720	488.30	11460 Airframe Hours	1324.30	12296.00	10772.59 Hours
900R1150001-115	BLADE ASSEMBLY, M/R	009999-0112	1285.90	11460 Airframe Hours	1324.30	11498.40	9974.99 Hours
900R1150001-115	BLADE ASSEMBLY, M/R	009999-0115	1284.90	11460 Airframe Hours	1324.90	11500.00	9976.59 Hours
900R1150001-115	BLADE ASSEMBLY, M/R	009999-0110	1285.90	11460 Airframe Hours	1324.30	11498.40	9974.99 Hours
900R1150001-115	BLADE ASSEMBLY, M/R	009999-0102	1222.80	11460 Airframe Hours	1324.30	11561.50	10038.09 Hours
900R3100001-105 (LL)	BLADE RETENTION BOLT, M/R	5510-0512	0.00	10750 Airframe Hours	1324.30	12074.30	10550.89 Hours LL
900R3100001-103	BLADE RETENTION BOLT, M/R	009884-1169	0.00	10750 Airframe Hours	213.90	10963.90	9440.49 Hours
900R3100001-103	BLADE RETENTION BOLT, M/R	009884-0485	0.00	10750 Airframe Hours	0.00	10750.00	9226.59 Hours
900R3100001-103	BLADE RETENTION BOLT, M/R	009884-0264	0.00	10750 Airframe Hours	0.00	10750.00	9226.59 Hours
900R3100001-103	BLADE RETENTION BOLT, M/R	009884-0477	0.00	10750 Airframe Hours	0.00	10750.00	9226.59 Hours
900R3100001-103	BLADE RETENTION BOLT, M/R	009884-0493	0.00	10750 Airframe Hours	0.00	10750.00	9226.59 Hours
900R3100001-103	BLADE RETENTION BOLT, M/R	009884-0466	0.00	10750 Airframe Hours	0.00	10750.00	9226.59 Hours
900R3100001-103	BLADE RETENTION BOLT, M/R	009884-0824	0.00	10750 Airframe Hours	0.00	10750.00	9226.59 Hours
900R3100001-103	BLADE RETENTION BOLT, M/R	009884-0479	0.00	10750 Airframe Hours	0.00	10750.00	9226.59 Hours
900R3100001-103	BLADE RETENTION BOLT, M/R	009884-0503	0.00	10750 Airframe Hours	0.00	10750.00	9226.59 Hours
900R1100001-115	FLEXBEAM ASSY, M/R	6029-1143	0.00	10000 Airframe Hours	1094.80	11094.80	9571.39 Hours



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900R1103001-115	FLEXBEAM ASSY, M/R	6029-1154	0.00	10000 Airframe Hours	1094.80	11094.80	9571.39 Hours	
900R1103001-115	FLEXBEAM ASSY, M/R	6029-1026	0.00	10000 Airframe Hours	872.20	10872.20	9348.79 Hours	
900R1103001-115	FLEXBEAM ASSY, M/R	6029-0892	0.00	10000 Airframe Hours	472.30	10472.30	8948.89 Hours	
900R1103001-115	FLEXBEAM ASSY, M/R	6029-0626	0.00	10000 Airframe Hours	472.30	10472.30	8948.89 Hours	
900R2100005-109	DAMPER CAP- UPPER, M/R	5009-0149	0.00	10000 Airframe Hours	608.12	10608.12	9084.71 Hours	
900R2100005-109	DAMPER CAP- UPPER, M/R	5009-0157	0.00	10000 Airframe Hours	608.12	10608.12	9084.71 Hours	
900R2100005-109	DAMPER CAP- UPPER, M/R	5009-0178	0.00	10000 Airframe Hours	608.12	10608.12	9084.71 Hours	
900R2100005-109	DAMPER CAP- UPPER, M/R	5009-0098	0.00	10000 Airframe Hours	608.12	10608.12	9084.71 Hours	
900R2100005-109	DAMPER CAP- UPPER, M/R	5009-0141	0.00	10000 Airframe Hours	608.12	10608.12	9084.71 Hours	
900R2100005-103	DAMPER CAP- LOWER, M/R	005422-0441	0.00	10000 Airframe Hours	0.00	10000.00	8476.59 Hours	
900R2100005-103	DAMPER CAP- LOWER, M/R	005422-0446	0.00	10000 Airframe Hours	0.00	10000.00	8476.59 Hours	
900R2100005-103	DAMPER CAP- LOWER, M/R	007803-0368	0.00	10000 Airframe Hours	0.00	10000.00	8476.59 Hours	
900R2100005-103	DAMPER CAP- LOWER, M/R	005422-0436	0.00	10000 Airframe Hours	0.00	10000.00	8476.59 Hours	
900R2100005-103	DAMPER CAP- LOWER, M/R	005422-0439	0.00	10000 Airframe Hours	0.00	10000.00	8476.59 Hours	
900R3100002-105	DAMPER, M/R	LK1142A	0.00	4095 Airframe Hours	0.00	4095.00	2571.59 Hours	
900R3100002-105	DAMPER, M/R	LK1142B	0.00	4095 Airframe Hours	0.00	4095.00	2571.59 Hours	
900R3100002-105	DAMPER, M/R	LK1143B	0.00	4095 Airframe Hours	0.00	4095.00	2571.59 Hours	
900R3100002-105	DAMPER, M/R	LK1129A	0.00	4095 Airframe Hours	0.00	4095.00	2571.59 Hours	
900R3100002-105	DAMPER, M/R	LK1143A	0.00	4095 Airframe Hours	0.00	4095.00	2571.59 Hours	
900R3100002-105	DAMPER, M/R	LK1125A	0.00	4095 Airframe Hours	0.00	4095.00	2571.59 Hours	
900R3100002-105	DAMPER, M/R	LK1128A	0.00	4095 Airframe Hours	0.00	4095.00	2571.59 Hours	
900R3100002-105	DAMPER, M/R	LK1128B	0.00	4095 Airframe Hours	0.00	4095.00	2571.59 Hours	
900R3100002-105	DAMPER, M/R	LK1137A	0.00	4095 Airframe Hours	0.00	4095.00	2571.59 Hours	
900R3100002-105	DAMPER, M/R	LK1140B	0.00	4095 Airframe Hours	0.00	4095.00	2571.59 Hours	
900R2100003-101	HUB RETENTION NUT, M/R	007803-0142	0.00	10000 Airframe Hours	0.00	10000.00	8476.59 Hours	
900R2101004-101	HUB LINER, MAIN ROTOR	8472-0027	0.00	20000 Airframe Hours	1219.83	21219.83	16696.42 Hours	
900R2101006-111	UPPER HUB ASSY, MAIN ROTOR	5009-0157	0.00	10000 Airframe Hours	872.20	10872.20	9348.79 Hours	
900R2101008-109	LOWER HUB ASSY, MAIN ROTOR	5009-0095	0.00	10750 Airframe Hours	872.20	11622.20	10098.79 Hours	
900R2101018-105	HUB PLATE, MAIN ROTOR	5009-0064	0.00	10000 Airframe Hours	872.20	10872.20	9348.79 Hours	
900R2101012-103	STRIKER PLATE, DROOP STOP, M/R	007803-0361	0.00	10000 Airframe Hours	0.00	10000.00	8476.59 Hours	
900R2101012-103	STRIKER PLATE, DROOP STOP, M/R	007803-0360	0.00	10000 Airframe Hours	0.00	10000.00	8476.59 Hours	
900R2101012-103	STRIKER PLATE, DROOP STOP, M/R	007803-0371	0.00	10000 Airframe Hours	0.00	10000.00	8476.59 Hours	
900R2101012-103	STRIKER PLATE, DROOP STOP, M/R	007803-0372	0.00	10000 Airframe Hours	0.00	10000.00	8476.59 Hours	
900R2101012-103	STRIKER PLATE, DROOP STOP, M/R	007803-0373	0.00	10000 Airframe Hours	0.00	10000.00	8476.59 Hours	
900R2100001-105	SUPPORT, DROOP STOP, M/R	0110	0.00	1580 Airframe Hours	1329.90	2909.90	1386.49 Hours	
900R2100001-105	SUPPORT, DROOP STOP, M/R	0112	0.00	1580 Airframe Hours	1329.90	2909.90	1386.49 Hours	
900R2100001-105	SUPPORT, DROOP STOP, M/R	0120	0.00	1580 Airframe Hours	1329.90	2909.90	1386.49 Hours	
900R2100001-105	SUPPORT, DROOP STOP, M/R	0116	0.00	1580 Airframe Hours	1329.90	2909.90	1386.49 Hours	
900R2100001-105	SUPPORT, DROOP STOP, M/R	0101	0.00	1580 Airframe Hours	1329.90	2909.90	1386.49 Hours	
900C2010188-107	SWASHPLATE ASSY, ROTATING	5009-0112	0.00	6808 Airframe Hours	0.00	6808.00	5284.59 Hours	
900C2010192-113	SWASHPLATE ASSY, NON-ROT.	5009-0338	0.00	1800 Airframe Hours	872.20	2672.20	1148.79 Hours	
900C3010100-103	BRG, ANGULAR CONTACT, M/R SWASHPLATE	059150-0023	0.00	5 Years	01-30-2018	01-30-2023	1127.00 Days	
900C3010100-103	BRG, ANGULAR CONTACT, M/R SWASHPLATE	059150-0023	0.00	2000 Airframe Hours	1219.83	3219.83	1696.42 Hours	
900C2010203-105	LATERAL MIXER BELLCRANK	5009-0033	0.00	13000 Airframe Hours	0.00	13000.00	11476.59 Hours	
900R2101017-103	DRIVE RING, M/R DRIVE LINK ATTACH	5009-0075	0.00	2890 Airframe Hours	760.98	3650.98	2127.57 Hours	



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900C3010042-105	BRG, PLAIN, SPHERICAL/SLIDER M/R	091610-0193	0.00	12807 Airframe Hours	418.50	13225.50	11702.09 Hours
900F2401600-103	DECK FITTING ASSY, AFT TRUSS LH	5079-0091	0.00	19990 Airframe Hours	0.00	19990.00	18466.59 Hours
900F2401600-104	DECK FITTING ASSY, AFT TRUSS RH	5079-0090	0.00	19990 Airframe Hours	0.00	19990.00	18466.59 Hours
900R2442012-103	FAN BLADE ASSEMBLY, NOTAR		-	3800 Airframe Hours	-	-	- Hours
900R2442012-103	FAN BLADE ASSEMBLY, NOTAR		-	3800 Airframe Hours	-	-	- Hours
900R2442012-103	FAN BLADE ASSEMBLY, NOTAR	5146-1545	0.00	3800 Airframe Hours	1247.28	5047.28	3523.87 Hours
900R2442012-103	FAN BLADE ASSEMBLY, NOTAR		-	3800 Airframe Hours	-	-	- Hours
900R2442012-103	FAN BLADE ASSEMBLY, NOTAR	5146-1558	0.00	3800 Airframe Hours	1247.28	5047.28	3523.87 Hours
900R2442012-103	FAN BLADE ASSEMBLY, NOTAR	5146-1564	0.00	3800 Airframe Hours	1247.28	5047.28	3523.87 Hours
900R2442012-103	FAN BLADE ASSEMBLY, NOTAR	5146-1560	0.00	3800 Airframe Hours	1247.28	5047.28	3523.87 Hours
900R2442012-103	FAN BLADE ASSEMBLY, NOTAR	5146-1561	0.00	3800 Airframe Hours	1247.28	5047.28	3523.87 Hours
900R2442012-103	FAN BLADE ASSEMBLY, NOTAR	5146-1555	0.00	3800 Airframe Hours	1247.28	5047.28	3523.87 Hours
900R2442012-103	FAN BLADE ASSEMBLY, NOTAR	5146-1565	0.00	3800 Airframe Hours	1247.28	5047.28	3523.87 Hours
900R2442012-103	FAN BLADE ASSEMBLY, NOTAR	5146-1562	0.00	3800 Airframe Hours	1247.28	5047.28	3523.87 Hours
900R2442012-103	FAN BLADE ASSEMBLY, NOTAR	5146-1550	0.00	3800 Airframe Hours	1247.28	5047.28	3523.87 Hours
900R2442012-103	FAN BLADE ASSEMBLY, NOTAR	5146-1556	0.00	3800 Airframe Hours	1247.28	5047.28	3523.87 Hours
900R6442009-103	FAN TENSION-TORSION STRAP	LK5294-2256	0.00	5 Years	01-26-2017	01-26-2022	758.00 Days
900R6442009-103	FAN TENSION-TORSION STRAP	LK5294-2256	0.00	1200 Airframe Hours	1144.00	2344.00	820.59
900R6442009-103	FAN TENSION-TORSION STRAP	LK5294-2245	0.00	5 Years	01-26-2017	01-26-2022	758.00 Days
900R6442009-103	FAN TENSION-TORSION STRAP	LK5294-2245	0.00	1200 Airframe Hours	1144.00	2344.00	820.59
900R6442009-103	FAN TENSION-TORSION STRAP	LK5294-2217	0.00	5 Years	01-26-2017	01-26-2022	758.00 Days
900R6442009-103	FAN TENSION-TORSION STRAP	LK5294-2217	0.00	1200 Airframe Hours	1144.00	2344.00	820.59
900R6442009-103	FAN TENSION-TORSION STRAP	LK5294-2225	0.00	5 Years	01-26-2017	01-26-2022	758.00 Days
900R6442009-103	FAN TENSION-TORSION STRAP	LK5294-2225	0.00	1200 Airframe Hours	1144.00	2344.00	820.59
900R6442009-103	FAN TENSION-TORSION STRAP	LK5294-2221	0.00	5 Years	01-26-2017	01-26-2022	758.00 Days
900R6442009-103	FAN TENSION-TORSION STRAP	LK5294-2221	0.00	1200 Airframe Hours	1144.00	2344.00	820.59
900R6442009-103	FAN TENSION-TORSION STRAP	LK5294-2173	0.00	5 Years	01-26-2017	01-26-2022	758.00 Days
900R6442009-103	FAN TENSION-TORSION STRAP	LK5294-2173	0.00	1200 Airframe Hours	1144.00	2344.00	820.59
900R6442009-103	FAN TENSION-TORSION STRAP	LK5294-2226	0.00	5 Years	01-26-2017	01-26-2022	758.00 Days
900R6442009-103	FAN TENSION-TORSION STRAP	LK5294-2226	0.00	1200 Airframe Hours	1144.00	2344.00	820.59
900R6442009-103	FAN TENSION-TORSION STRAP	LK5294-2222	0.00	5 Years	01-26-2017	01-26-2022	758.00 Days
900R6442009-103	FAN TENSION-TORSION STRAP	LK5294-2222	0.00	1200 Airframe Hours	1144.00	2344.00	820.59
900R6442009-103	FAN TENSION-TORSION STRAP	LK5294-2237	0.00	5 Years	01-26-2017	01-26-2022	758.00 Days
900R6442009-103	FAN TENSION-TORSION STRAP	LK5294-2237	0.00	1200 Airframe Hours	1144.00	2344.00	820.59
900R6442009-103	FAN TENSION-TORSION STRAP	LK5294-2234	0.00	5 Years	01-26-2017	01-26-2022	758.00 Days
900R6442009-103	FAN TENSION-TORSION STRAP	LK5294-2234	0.00	1200 Airframe Hours	1144.00	2344.00	820.59
900R6442009-103	FAN TENSION-TORSION STRAP	LK5294-2230	0.00	5 Years	01-26-2017	01-26-2022	758.00 Days
900R6442009-103	FAN TENSION-TORSION STRAP	LK5294-2230	0.00	1200 Airframe Hours	1144.00	2344.00	820.59
900R6442009-103	FAN TENSION-TORSION STRAP	LK5924-2208	0.00	5 Years	01-26-2017	01-26-2022	758.00 Days
900R6442009-103	FAN TENSION-TORSION STRAP	LK5924-2208	0.00	1200 Airframe Hours	1144.00	2344.00	820.59
900R6442009-103	FAN TENSION-TORSION STRAP	LK5294-2224	0.00	5 Years	01-26-2017	01-26-2022	758.00 Days
900R6442009-103	FAN TENSION-TORSION STRAP	LK5294-2224	0.00	1200 Airframe Hours	1144.00	2344.00	820.59
900R2441013-109	FAN HUB, NOTAR	005422-0059	0.00	5000 Airframe Hours	0.00	5000.00	3476.59 Hours
900R2443000-105 (LL)	FAN PITCH PLATE, NOTAR	007803-0083	0.00	3527 Airframe Hours	0.00	3527.00	2003.59 Hours LL
900R1441004-101	FAN SUPPORT ASSY, NOTAR	007803-0076	0.00	10000 Airframe Hours	0.00	10000.00	8476.59 Hours



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900R2444003-101	COUPLING, FAN SHAFT, NOTAR	005422-0095	0.00	10000 Airframe Hours	0.00	10000.00	8476.59 Hours	
900C3010082-101	SPRING ASSY-GRADIENT, LATERAL	186	0.00	10000 Airframe Hours	0.00	10000.00	8476.59 Hours	
900C3010081-101	SPRING ASSY-GRADIENT, LONG.	124	0.00	10000 Airframe Hours	0.00	10000.00	8476.59 Hours	
452-0133 (R)	ELT Battery	374368-020	0.00	5 Years	05-31-2014	07-31-2022	944.00 Days R	
RG-407	Airframe Battery	40875247	0.00	On Condition	N/A	On Condition	N/A	
900F2401300-103	STRUT ASSY, MID AFT TRUSS, LH	7604-0150	0.00	24158 Airframe Hours	0.00	24158.00	22634.59 Hours	
900F3318201-103	SPRING DAMPING, ELASTOMERIC	0055437-0177	0.00	2000 Airframe Hours	4.01	2004.01	480.60 Hours	
90003409008-101	75 MICRON Filter	NSN	0.00	1200 Airframe Hours	1352.50	2552.50	1029.09 Hours	
900D3409008-101	75 MICRON Filter	NSN	0.00	24 Months	02-15-2018	08-03-2020	217.00 Days	
528-028-00 (OH)	Onboard Cargo Hook	00762	0.00	1000 Airframe Hook Hours	0.00	1000.00	947.00 Hours OH	
528-028-00	Onboard Cargo Hook	00762	0.00	1 Years	05-31-2019	05-31-2020	153.00 Days	
900F0341712-101	BELLCRANK - EMPENNAGE (R)	-	-	On Condition	N/A	On Condition	N/A	
900F0341712-101	BELLCRANK - EMPENNAGE (R)	-	-	On Condition	N/A	On Condition	N/A	
900C3010204-109	TRIM ACTUATOR ASSY, LATERAL	063715-0083	0.00	On Condition	N/A	On Condition	N/A	
900C3010204-109	TRIM ACTUATOR ASSY, LATERAL	063715-0082	0.00	On Condition	N/A	On Condition	N/A	
900D1400005-101	M/R TRANSMISSION ASSEMBLY	008219-0101	0.00	On Condition	N/A	On Condition	N/A	
UNK	GEARBOX LUBE OIL (MIL-L-23899)	UNK	0.00	12 Months	12-14-2018	12-14-2019	-16.00 Days	
UNK	GEARBOX LUBE OIL (MIL-L-23899)	UNK	0.00	600 Airframe Hours	1247.28	1647.28	323.87 Hours	
<b>Engine 1 Lined Components</b>								
Part No.	Description	Serial No.	Life At Install	Period	Last Done	Next Due	Remaining	
3053056-01	Turbo Machinery	PCE-BG0106	0.00	3500 Engine1 Hours	0.00	3500.00	974.50	
3058672-01 (R)	Impeller	A001TP2L	1835.00	15000 Engine1 Impeller Cycles	0.00	13165.00	10898.00 Cycles R	
3048999-01 (R)	Compressor Turbine Disc	A001PM06	3266.00	10000 Engine1 CT Cycles	0.00	6734.00	2724.00 Cycles R	
3044188-01	Power Turbine Disc	A001W66F	3316.00	15000 Engine1 PT Cycles	0.00	11684.00	7587.00 Starts	
3073830-01 (R)	Fuel Pump	14115002	0.00	4000 Engine1 Hours	0.00	4000.00	1474.50 R	
3053928-03	Fuel Metering Unit	13445485	0.00	4000 Engine1 Hours	0.00	4000.00	1474.50	
<b>Engine 2 Lined Components</b>								
Part No.	Description	Serial No.	Life At Install	Period	Last Done	Next Due	Remaining	
3053056-01	Turbo Machinery	PCE-BG0028	0.00	3500 Engine2 Hours	0.00	3500.00	2744.59	
8063-114 (CH)	Fuel Metering Unit/Fuel Managment Module	12287706	0.00	4000 Engine2 Hours	0.00	4000.00	3244.59 OH	
3048999-01 (LL)	Compressor Turbine Disc	A000FWRB	0.00	10000 Engine2 CT Cycles	0.00	10000.00	851.00 LL	
3044188-01 (LL)	Power Turbine Disc	A000KF19	0.00	15000 Engine2 PT Cycles	0.00	15000.00	5576.00 Starts LL	
3044095-01	Impeller	A00ERPT	0.00	15000 Engine2 Impeller Cycles	0.00	15000.00	6538.00 Cycles	
765794D4D	Fuel Pump	0269	0.00	4000 Engine2 Hours	0.00	4000.00	3244.59 Hours	
<b>ADs</b>								
Types	Subject	AD Number	Based On	Period	Warning	Last Done	Next Due	Remaining
Repetitive ADs	182:Para (c) and (g) Visual 10x inspection of hub flange outer surface	AD2002-10-05 dated 05.19.2002	Airframe Hours	100	10 Hours	0.00	0.00	-
Repetitive ADs	171:Para (a)(2) Blade retention bolts visual inspection for gap between thrust washer and retainer.	AD 2013-20-16	Airframe Hours	300	30 Hours	0.00	1547.28	23.87
Repetitive ADs	164.5 year TT Strap	AD 2013-03-03 TT straps	Date (Years)	5	90 Days	01-26-2017	01-26-2022	758



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# Maintenance Tracking Report

AIRCRAFT REGISTRATION:				N904AF	DATE:	11-23-2019	PAGE NO:	7
Repetitive ADs	163:1000 hr eddy current	AD 2017-17-03 para f 3	Airframe Hours	1000	100 Hours	0.00	1872.20	348.79
Repetitive ADs	162:12 month flex beam bolt hole and pocket inspection	AD 2017-17-03 para f 2	Date (Months)	12	1 Months	12-14-2018	12-14-2019	-16
Repetitive ADs	161:fillet seal around flexbeam bolt holes	AD 2017-17-03 para f 1, i, ii	Airframe Hours	100	20 Hours	1520.19	1620.19	96.78
Repetitive ADs	160:Para (c) & (d) TT Strap Visual and X-ray at initial 1200 hours on TT Straps then every 300 hours after	AD 2006-18-01	Airframe Hours	1200	200 Hours	1144.00	2344.00	820.59



## CERTIFICATIONS

I, Arty Straehla, Chief Executive Officer, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Mammoth Energy Services, Inc. (the "registrant");
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rule 13a-15(f) and 15d-15(f) for the registrant and have:
  - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

**MAMMOTH ENERGY SERVICES, INC.**

By: /s/ Arty Straehla

Arty Straehla

*Chief Executive Officer*

May 11, 2020

## CERTIFICATIONS

I, Mark Layton, Chief Financial Officer, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Mammoth Energy Services, Inc. (the "registrant");
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rule 13a-15(f) and 15d-15(f) for the registrant and have:
  - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

**MAMMOTH ENERGY SERVICES, INC.**

By: /s/ Mark Layton

Mark Layton

*Chief Financial Officer*

May 11, 2020

**CERTIFICATION OF THE CHIEF EXECUTIVE OFFICER PURSUANT TO  
18 U.S.C. SECTION 1350,  
AS ADOPTED PURSUANT TO  
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report on Form 10-Q of Mammoth Energy Services, Inc. (the "Company") for the quarterly period ended March 31, 2020 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Arty Straehla, as Chief Executive Officer of the Company, hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to the best of my knowledge:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"); and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

**MAMMOTH ENERGY SERVICES, INC.**

By:

/s/ Arty Straehla

Arty Straehla

*Chief Executive Officer*

May 11, 2020

This certification accompanies the Report pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 and shall not be deemed filed by the Company for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to liability under that section. This certification shall not be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended or the Exchange Act, except to the extent that the Company specifically incorporates it by reference.



### Mine Safety Disclosure

The following disclosures are provided pursuant to the Dodd-Frank Wall Street Reform and Consumer Protection Act (the “Act”) and Item 104 of Regulation S-K, which requires certain disclosures by companies required to file periodic reports under the Securities Exchange Act of 1934, as amended, that operate mines regulated under the Federal Mine Safety and Health Act of 1977 (the “Mine Act”).

*Mine Safety Information.* Whenever the Federal Mine Safety and Health Administration (“MSHA”) believes a violation of the Mine Act, any health or safety standard or any regulation has occurred, it may issue a citation which describes the alleged violation and fixes a time within which the U.S. mining operator must abate the alleged violation. In some situations, such as when MSHA believes that conditions pose a hazard to miners, MSHA may issue an order removing miners from the area of the mine affected by the condition until the alleged hazards are corrected. When MSHA issues a citation or order, it generally proposes a civil penalty, or fine, as a result of the alleged violation, that the operator is ordered to pay. Citations and orders can be contested and appealed, and as part of that process, are often reduced in severity and amount, and are sometimes dismissed. The number of citations, orders and proposed assessments vary depending on the size and type (underground or surface) of the mine as well as by the MSHA inspector(s) assigned.

*Mine Safety Data.* The following provides additional information about references used in the table below to describe the categories of violations, orders or citations issued by MSHA under the Mine Act:

- Section 104 S&S Citations: Citations received from MSHA under section 104 of the Mine Act for violations of mandatory health or safety standards that could significantly and substantially contribute to the cause and effect of a mine safety or health hazard.
- Section 104(b) Orders: Orders issued by MSHA under section 104(b) of the Mine Act, which represents a failure to abate a citation under section 104(a) within the period of time prescribed by MSHA. This results in an order of immediate withdrawal from the area of the mine affected by the condition until MSHA determines that the violation has been abated.
- Section 104(d) Citations and Orders: Citations and orders issued by MSHA under section 104(d) of the Mine Act for unwarrantable failure to comply with mandatory health or safety standards.
- Section 110(b)(2) Violations: Flagrant violations issued by MSHA under section 110(b)(2) of the Mine Act.
- Section 107(a) Orders: Orders issued by MSHA under section 107(a) of the Mine Act for situations in which MSHA determined an “imminent danger” (as defined by MSHA) existed.

The following table details the violations, citations and orders issued to us by MSHA during the quarter ended March 31, 2020:

Mine <sup>(a)</sup>	Section 104 S&S Citations(#)	Section 104(b) Orders (#)	Section 104(d) Citations and Orders(#)	Section 110(b)(2) Violations(#)	Section 107(a) Orders (#)	Proposed Assessments <sup>(b)</sup> (\$, amounts in dollars)	Mining Related Fatalities (#)
Taylor, WI	—	—	—	—	—	\$ —	—
Menomonie, WI	—	—	—	—	—	\$ —	—
New Auburn, WI	—	—	—	—	—	\$ —	—

- The definition of mine under section 3 of the Mine Act includes the mine, as well as other items used in, or to be used in, or resulting from, the work of extracting minerals, such as land, structures, facilities, equipment, machines, tools and minerals preparation facilities. Unless otherwise indicated, any of these other items associated with a single mine have been aggregated in the totals for that mine. MSHA assigns an identification number to each mine and may or may not assign separate identification numbers to related facilities such as preparation facilities. We are providing the information in the table by mine rather than MSHA identification number because that is how we manage and operate our mining business and we believe this presentation will be more useful to investors than providing information based on MSHA identification numbers.
- Represents the total dollar value of proposed assessments from MSHA under the Mine Act relating to any type of citation or order issued during the quarter ended March 31, 2020.

*Pattern or Potential Pattern of Violations.* During the quarter ended March 31, 2020, none of the mines operated by us received written notice from MSHA of (a) a pattern of violations of mandatory health or safety standards that are of such nature as could

have significantly and substantially contributed to the cause and effect of mine health or safety hazards under section 104(e) of the Mine Act or (b) the potential to have such a pattern.

*Pending Legal Actions.* There were no legal actions pending before the Federal Mine Safety and Health Review Commission (the Commission) as of March 31, 2020. The Commission is an independent adjudicative agency established by the Mine Act that provides administrative trial and appellate review of legal disputes arising under the Mine Act.