

Precision Conversions, LLC

Precision Conversions was formed in 2001 to convert Boeing 757 passenger airplanes to freighters. The company undertakes its own original design and engineering for the conversion using the latest technology of the sophisticated Finite Element Model (FEM).

Precision's key personnel bring decades of experience in aeronautical engineering, maintenance, loads and structures.

- Chairman is Jack A. Erickson, who founded Erickson Air-Crane, pioneering the use of heavy-lift helicopters in logging and fire-fighting. Economical use of the Sikorsky S-64 in private industry required the engineering, design and development of approximately 30 Supplemental Type Certificates.
- President is Steven J. Thomas, who joined Erickson in 1981 and has held various management responsibilities in the companies, primarily in international operations.
- Vice President of Engineering is William J. Wagner, whose engineering expertise transformed the S-64 from a military helicopter used a few hundred hours a year to an economical, commercially viable private industry workhorse; and whose engineering analysis with the Finite Element Model produced a Boeing 727 cargo conversion program free of airworthiness directives that set a high standard with the Federal Aviation Administration and its Seattle (WA) Aircraft Certification Office.
- Vice President of Marketing and Sales is Brian C. McCarthy, who has more than 22 years of experience in technical management, sales and marketing of commercial transport aircraft maintenance and modification, including passenger-to-freighter conversion programs.
- Director is Clive G. Whittenbury, who has a Ph.D. in Aeronautical Engineering. In addition to his involvement in the S-64 improvement program, Whittenbury has been a member of or employed by US "think tanks" that are in the Top 20 National Defense contractors involved in nuclear programs; and by Douglas Aircraft Co. in the early days of the intercontinental ballistic missile defense program.

Precision is a joint venture of Erickson Group, Ltd. in the Portland suburb of Beaverton, OR, and Wagner Aeronautical, Inc., of Escondido, CA, north of San Diego.

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Erickson Group, Ltd. is a private holding company founded in 1935 with business interests in forest products, aviation, real estate and private investments. Erickson Group's Air-Crane subsidiary pioneered the use of heavy lift helicopters in logging, aerial construction and fire-fighting operations. Erickson Air-Crane Co. was founded in 1971. Using four Sikorsky S-64 Skycrane helicopters, Erickson Air-Crane focused on three principal markets in the US: logging, developing an innovative technique that reduced the need for clear-cutting; fire fighting, using these instantly-recognizable helicopters to carry 2,650 gallon tanks with a 25,000 lb. payload from water sources to the fires; and aerial construction, requiring the precision placement of heavy loads in inaccessible places.

In 1992, Erickson acquired the Type Certificate for the S-64 Skycrane from Sikorsky Aircraft, a division of United Technologies, which marked the beginning of the aircraft's evolution to what is today known as the Erickson Skycrane. This purchase also moved Erickson from a heavy lift service provider to a fully integrated aviation manufacturing and operating company. The Type Certificate granted the company the exclusive right to the relevant intellectual property, technical engineering data and proprietary tooling. This positioned the company as the only heavy lift service provider with the ability to manufacture new S-64 Skycranes and convert military Sikorsky CH-54s to meet the FAA's S-64 certification standards. With the Type Certificate came full FAA regulatory responsibilities for all aspects of the S-64, including engineering (AD compliance), parts support and complete overhaul and repair capabilities (engines, components, rotor blades and airframes).

Erickson developed a number of proprietary processes. A patented precision external load placement system and fixed-tank fire retardant delivery system enabled Erickson Air-Crane to significantly improve the efficiency and economics of helicopter heavy lift. The "helitanker" and its related systems developed by Erickson are still in use today. William J. Wagner was the lead engineer on component and rotor blade time life extension programs for Erickson. Wagner went on to establish Wagner Aeronautical, Inc., an engineering firm that expanded from helicopters into commercial aviation and passenger/cargo airliners.

By 1997 Erickson Air-Crane had grown to an international business with annual revenues in excess of \$100 million, operating 14 S-64 Skycranes, the largest heavy lift fleet in the world. There were 800 employees, including 75 pilots and 200 mechanics. Erickson Air-Crane's fleet flew 15,000 flight hours in the US, British Columbia and Malaysia. The company was sold in 1997 and continues operations worldwide. Erickson Group retains a minority interest in Erickson Air-Crane.

In addition to their success with Erickson, Erickson Group principals have made a number of aviation related investments. These include the purchase/sale of SFO Helicopters in 1974 and in 1998, the purchase of Aero Air, LLC a fully integrated aircraft management, charter and maintenance organization based at Hillsboro, Oregon.

Wagner Aeronautical, Inc., founded in 1993, provides complete engineering support for the fixed wing and rotorcraft industries. Engineering services include design, structural, fatigue, damage tolerance analysis, testing and aircraft certification. Wagner Aeronautical was the prime engineering group on a new Boeing 727-200F heavyweight conversion program, receiving a Supplemental Type Certificate in February 2000. Wagner Aeronautical was a subcontractor for a Boeing 747 Combi-to-freighter conversion program for a major Asian company.

Wagner Aeronautical is the leader in Finite Element Model (FEM) analysis, the highly technical and sophisticated process that determines stresses and loads for cargo conversions. The FEM process first came to prominence in cargo conversions in 1997 when William J. Wagner, president of Wagner Aeronautical, used the first validated FEM analysis for the 727 heavyweight cargo conversions on which the Federal Aviation Administration granted the STC in 2000. The engineering results raised the bar for the standards of safety for cargo conversions. Wagner Aeronautical's FEM analysis has been used in several re-certification and continued airworthiness projects on 727s converted in the 1980s and 1990s.

Bill Wagner and Erickson became business associates during the S-64 helicopter program. Wagner provided the engineering that resulted in dramatically increasing the time between overhauls for life-limited parts and which enabled the S-64s to increase utilization from a few hundred hours a year in National Guard service to 150 hours a month in commercial service. Wagner provided the engineering that increased the life-limited parts and Time Between Overhaul for S-64 rotor blades, gear boxes and other equipment. The relationship forged then has evolved into the joint venture partnership today for the 757 conversion program

Precision Conversion Management

Jack A. Erickson: Chairman of the Board of Precision Conversions and Erickson Group. Mr. Erickson is an internationally recognized entrepreneur who successfully started and built several companies in the aviation and forest products industries. His in-depth understanding of aviation and the regulatory environment in which the industry operates provides him with an exceptional background for assessing opportunity and making astute investment decisions.

In 1971, Mr. Erickson founded Erickson Air-Crane. He successfully built Erickson Air-Crane into an international heavy lift helicopter operator using a fleet of 14 Sikorsky S-64 Skycranes, with revenues in excess of \$100 million by 1997. After selling the business in 1997, in which Mr. Erickson retains a minority interest, Mr. Erickson focused his attention on the development of Erickson Group, leveraging his extensive experience in the aviation and forest products industries.

In addition to his investment activities, Mr. Erickson has been active in the founding and the expansion of the Tillamook Naval Air Station Museum at Tillamook, Oregon. Mr. Erickson owns and maintains more than 30 WWII vintage aircraft.

Steven J. Thomas: President and a member of the Boards of Directors of Erickson Group and Precision Conversions. Mr. Thomas is responsible for all business aspects of Precision Conversions, LLC. Mr. Thomas joined Erickson Air-Crane in 1981 as the operating officer for the company's Asian operations, based in Singapore. Upon returning to Oregon in 1982, Mr. Thomas met a succession of executive responsibilities for both managing and building operational subsidiaries, and then establishing a corporate organization to execute the company's growth strategy. Mr. Thomas managed all financial and risk management functions and directed the company's joint venture activities. At the time of Erickson Air-Crane's sale in 1997, he was Vice President and General Manager of the company. Since 1997, Mr. Thomas has been the President of Erickson Group, Ltd. He is also Corporate Secretary of Aero Air LLC and president of Erickson Ventures, the controlling member of Aero.

William J. Wagner: Vice President of Engineering. Mr. Wagner's primary responsibility is for the design and engineering necessary to secure the Supplemental Type Certificate (STC) from the Federal Aviation Administration for the Boeing 757 cargo conversion. Mr. Wagner began his career as a stress analyst at Boeing and has since worked as an engineer at other major aircraft companies such as Northrop, Lockheed, Flight Structures Inc., and Teledyne Ryan Aeronautical. Mr. Wagner is an FAA structures DER (Designated Engineering Representative) with authorization in the areas of static, fatigue and fracture analysis. He founded Wagner Aeronautical in 1993, providing engineering and design work on helicopters and commercial airliners. Mr. Wagner graduated with a BS in Mechanical Engineering in 1986.

Brian C. McCarthy: Vice President of Marketing & Sales. Mr. McCarthy is responsible for all business development activities of the company. He has more than 22 years of experience in the commercial transport aircraft maintenance and modification industries. Prior to joining Precision, Mr. McCarthy most recently worked for 10 years at Triad International Maintenance Corporation (TIMCO). As Senior Vice President of Sales & Marketing, he managed a sales force responsible for contracting more than four million man-hours of annual heavy maintenance and modification work required to support 1,700 employees at three repair stations. During his career, Mr. McCarthy has been responsible for contracting and developing major maintenance, modification and interior refurbishment programs on a variety of Boeing, Douglas and Airbus narrow- and wide-body aircraft. He is a licensed FAA mechanic and private pilot. Mr. McCarthy graduated with a BS in Aviation Maintenance and Management from Lewis University in Joliet, IL.

Clive G. Whittenbury: Member of the Boards of Directors for Precision Conversions and Erickson Group. Mr. Whittenbury has a doctorate in Aeronautical Engineering from the University of Illinois. He joined Erickson in 1979 as Executive Vice President and is a member of its Board. He chairs the external Review Committee for the National Ignition Facility at Lawrence Livermore National Laboratories, Livermore, CA, one of the largest nuclear defense engineering projects in the United States. He was Senior Vice President at Science Applications International Corp., La Jolla/Washington, DC, between 1972 and 1979 and served on SAIC's Board from 1976 to 1986. SAIC is one of the USA's Top 20 defense contractors with \$8 billion in revenues. He was Vice President for Science and Engineering at Research Analysis Corp. (1964-72), Washington, DC, another national defense think tank. He was Chief of Systems Analysis at Douglas Missiles and Space (1959-64). He was a student aerodynamicist at De Havilland Aircraft in England (1951-1954).

Tamra M. Dereiko: Vice President and Chief Financial Officer. Ms. Dereiko is responsible for the financial, legal and risk management activities of the company. Ms. Dereiko has worked with Erickson since 1984. She directs all legal, financial, and business planning aspects of Erickson and its related affiliates. Her relationship with Erickson began while working for a Big Six accounting firm where she worked primarily with closely held corporate clients, specializing in domestic and international corporate planning. In 1992, she left public accounting in pursuit of the private practice of law and to focus her attentions on the multi-faceted domestic and international legal and planning issues of Erickson. She is a member of the Oregon State Bar Association and the Oregon Society of Certified Public Accountants.

John S. Crawford: Director of Production. Mr. Crawford is responsible for kit procurement, vendor management and installation. He has more than 22 years of technical and management experience related to transport aircraft structures, repair, overhaul and manufacturing. Prior to joining Precision, Mr. Crawford worked for 11 years at Triad International Maintenance Corp. (TIMCO) holding a succession of positions beginning as a lead 'master' mechanic, RII inspector and structures supervisor. In 1997, he was promoted to Manager, Production Support Services, responsible for all of TIMCO's structures, machine shop, repair, component overhaul and manufacturing activities. Mr. Crawford began his career in the USAF (1978-85) as a tactical aircraft technician and line chief performing all aspects of aircraft maintenance. Mr. Crawford also held several technical, engineering liaison and management positions with Volpar and Burbank Aeronautical (1986-89) performing various aircraft structural modifications and field installations.