

TOTAL ASSURANCE PROGRAM AGREEMENT

THIS TOTAL ASSURANCE PROGRAM AGREEMENT (this "Agreement"), dated as of May 26th, 2020 (the "Effective Date"), is made by and between **HELICOPTER SUPPORT, INC. D/B/A SIKORSKY COMMERCIAL, INC.**, a Connecticut corporation with a place of business at 124 Quarry Road, Trumbull, CT 06611 ("Service Provider"), and **CITY OF SAN DIEGO, on behalf of THE SAN DIEGO FIRE-RESCUE DEPARTMENT** ("Customer"). Within this Agreement, Service Provider and/or Customer shall each be a "Party" and collectively shall be the "Parties."

WHEREAS, Service Provider provides parts, service and support for owners and operators of Sikorsky Aircraft Corporation ("Sikorsky") products throughout the world; and

WHEREAS, Customer desires to purchase an extended support plan for its Sikorsky helicopter;

NOW THEREFORE, for valid consideration mutually acknowledged by their signatures hereon, the Parties agree as follows:

I. INFORMATION AND DEFINITIONS FOR THIS AGREEMENT

Customer:	CITY OF SAN DIEGO, on behalf of the SAN DIEGO FIRE-RESCUE DEPARTMENT
Customer Point of Contact:	Chuck Macfarland, Chief of Air Operations San Diego Fire-Rescue Department 4302 Ponderosa Avenue San Diego, CA 92123-1531
Service Provider Point of Contact:	Karen Pike, Business Development Manager Sikorsky Commercial, Inc. 124 Quarry Road M/S K100A Trumbull, CT 06611-4816 Office: 203-944-8192 E-mail: Karen.Pike@lmco.com
Aircraft Description:	One (1) Sikorsky S-70i™ helicopter, S/N 704025 (the " <u>Aircraft</u> ").
Minimum Utilization Rate Calendar Year 2020:	250 Flight Hours per Aircraft per year (prorated for any partial calendar year), commencing in accordance with Article V.6(c) below.
Flight Hour Hourly Charge Calendar Year 2020:	\$2,566.00 Dollars.

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Office of the City Clerk
San Diego, California

Term of Agreement:	This Agreement is effective on the Effective Date and will end on December 31, 2029 (the " <u>Term</u> ").
Effective Date:	The Effective Date is the date this Agreement is executed by the last Party to sign the Agreement and approved by the City Attorney in accordance with San Diego Charter Section 40.
List of Exhibits:	Exhibit A – Covered Parts Exhibit B – Ordering Procedure Exhibit C – Consignment Inventory Exhibit D – Hourly Rate Scale Exhibit E – Publications Exhibit F – City’s Mandatory Terms and Provisions

DEFINITIONS:

- a) "Aircraft Sales Agreement" means the New Helicopter Sales Agreement (Sikorsky Contract No. 70iD11927), dated as of January 8, 2018, by and between Sikorsky and Customer, as amended from time to time, or such other contract for the purchase of an Aircraft from Sikorsky or one of its affiliates.
- b) "Airworthiness Directives" means a document issued by the Cognizant Airworthiness Authority when it is determined that (a) an unsafe condition exists in the product and (b) the condition is likely to exist or develop in other products of the same design. An Airworthiness Directive specifies inspections to be conducted, conditions and limitations to comply with, and any actions to be taken to resolve the unsafe condition.
- c) "Alert Service Bulletin" means a bulletin issued by Sikorsky on matters requiring the immediate attention of Customer and are generally limited to items affecting safety. Alert Service Bulletins provide instructions for modifications, inspections, or other actions, and establish compliance times.
- d) "AOG Order" means a Customer order for a part such that an Aircraft cannot fly in its current state without such part solely as a result of the part’s failure; provided, however, that the reason the part is not on hand is not due to Customer or the operator’s failure to promptly submit a RSA or any other cause within its reasonable control.
- e) "Cognizant Airworthiness Authority" means the U.S. Federal Aviation Administration, the European Aviation Safety Agency, Transport Canada, or other airworthiness authority with jurisdiction over the operation of the Aircraft.

- f) “Consigned Parts” means a mutually agreed upon inventory of spare part(s) to be consigned by Service Provider to Customer in accordance with Exhibit C.
- g) “Covered Parts” means those parts and components identified and defined as “Covered Parts” in Exhibit A.
- h) “Day” means a calendar day in Connecticut, United States of America.
- i) “Dollars” or “US\$” means the lawful currency of the United States of America.
- j) “External Lift Cycle” means the Aircraft’s performance of the following sequence of flight-related activity using a cargo hook: external load lift, enroute travel, approach to hover, and (i) release of load and land, or (ii) release of load and depart.
- k) “Flight Hour” means sixty (60) minutes of Flight Time.
- l) “Flight Hour Hourly Charge” means the amount payable for each Flight Hour flown by the Aircraft. The Flight Hour Hourly Charge for the first calendar year is specified in Article I and is subject to adjustment at the end of each subsequent calendar year pursuant to Article V, paragraph 7.
- m) “Flight Manual” means the manual containing information on all Aircraft systems, performance data, and operating procedures required for safe and effective operations.
- n) “Flight Time” means the time that commences when an Aircraft moves under its own power for the purposes of flight and ends when the Aircraft comes to rest after landing.
- o) “Flight Time Report” means the document that is used to report Flight Time.
- p) “Hourly Rate Scale” means the rate scale attached as Exhibit D, which sets forth the Flight Hour Hourly Charge for each calendar year based on the Minimum Utilization Rate selected by Customer.
- q) “Maintenance Manual” means the publication describing the maintenance program for the Aircraft as set forth in Exhibit E.
- r) “Minimum Utilization Rate” means the number of Flight Hours per Aircraft Customer expects to be flown (on average) in a calendar year and that determines the Flight Hour Hourly Charge applicable for such year. The Minimum Utilization Rate for this first calendar year is specified in Article I and is subject to adjustment at the beginning of each subsequent calendar year in accordance with Article V, paragraph 8.
- s) “Non-Covered Parts” means those parts and components identified and defined in Exhibit A as excluded from coverage under this Agreement.
- t) “Request For Service Adjustment” or “RSA” means the process and document that is used by

Customer to report defective parts.

- u) "Repetitive External Lift" occurs when the average number of External Lift Cycles exceeds six (6) per Flight Hour during any two hundred fifty (250) Flight Hour period based on a moving average, calculated at intervals not to exceed fifty (50) hours of operation but excludes snorkeling activities in connection with an Aircraft's fire-fighting mission.
- v) "Replacement Parts" means those parts that are supplied to Customer to exchange or replace non-operational Covered Parts.
- w) "Routine Order" means a Customer order for a part required for routine or scheduled maintenance.
- x) "Scheduled Covered Part" means those life-limited, time-limited or cycle-limited Covered Parts identified and defined as "Scheduled Covered Parts" in Section B of Exhibit A.
- y) "Service Bulletins" means informational bulletins or other notices issued by Sikorsky containing information regarding product improvement modifications and part changes.
- z) "Service Provider Taxes" means Taxes (including interest and penalties in respect of an overdue Tax):
 - i) on the actual overall net income or profits of Service Provider or its affiliate attributable to any sum received by Service Provider or its affiliate under this Agreement;
 - ii) suffered or imposed as a result of any breach by Service Provider or its affiliate(s) of any of its express or implied obligations under this Agreement; and
 - iii) to the extent that such Tax arises as a result of Service Provider or its affiliate failing to file any relevant return or computation that was obliged to be filed under any applicable law.
- aa) "Standard Terms and Conditions of Sale" means the terms and conditions published by Service Provider applicable to the sale of spare parts, repair services and other products offered for sale by Service Provider via acceptance of purchase orders.
- bb) "TAP" means the Total Assurance Program provided by Service Provider.
- cc) "Taxes" means all present and future taxes, levies, duties, withholdings, fees or charges of any nature whatsoever, and wheresoever imposed, including, without limitation, value added tax, consumption tax or any other tax in respect of added value or any income (including, without limitation, gross income, minimum, alternative minimum, capital gains income, gross receipts and net receipts), franchise, transfer, sales, use, business, occupation, excise, personal property, real property, stamp or other tax imposed by a taxing authority of any country, or governmental subdivision thereof or therein or by any international authority, together with any penalties, additions to tax, fines or interest with respect to any of the

foregoing, and “tax” and “taxation” shall be construed accordingly.

- dd) “Time Between Overhaul” or “TBO” means the maximum number of Flight Hours that may be logged on a component before the Maintenance Manual requires the component be removed for overhaul.
- ee) “Unusual Environmental Conditions” means weather related conditions such as sand storm, tornados, heavy winds and extraordinary weather conditions not normally experienced in the local environment in which the Aircraft is operated.
- ff) “Urgent Order” means a Customer order for a part that is not grounding an Aircraft but is required to meet a specific timeframe.
- gg) “Work Stop Order” means a Customer order for a part that is required to make an Aircraft that is currently down for scheduled maintenance or inspection airworthy again.

II. DESCRIPTION OF SUPPORT PLAN

1. Service Provider’s Obligation:

- a) Commencing on the Effective Date of this Agreement or the date of Customer’s acceptance of an Aircraft pursuant to the Aircraft Sales Agreement (whichever is later), Service Provider shall, as required to keep such Aircraft airworthy and serviceable, exchange or replace Covered Parts for such Aircraft which:
 - i) have experienced a defect in material or workmanship;
 - ii) with respect to Scheduled Covered Parts, require scheduled maintenance as set forth in the applicable Maintenance Manuals;
 - iii) have failed due to wear and tear under normal use and service;
 - iv) require replacement to comply with an Airworthiness Directive issued by the applicable Cognizant Airworthiness Authority; or
 - v) require replacement to comply with an Alert Service Bulletin.

On a case-by-case basis, Service Provider will, in consultation with Customer, determine the cost benefit represented by a Service Bulletin. In the event that Service Provider and Customer determine that the cost benefit of incorporating the proposed Service Bulletin is significant and/or compliance therewith will increase reliability, Service Provider will provide the replacement parts at no additional cost to Customer, either upon availability of parts or at next overhaul/repair of the impacted component.

- b) The services provided hereunder do not include the exchange or replacement of Covered Parts failures or removals that are attributable to any of the following reasons:

- i) damage caused by combat, accidents, crashes, or foreign objects, including but not limited to bird strikes; Unusual Environmental Conditions or other external events that cause greater than ordinary wear and tear, including but not limited to lightning, a sudden stoppage, a hard landing, over torque, and/or deficient or improper maintenance that is not in accordance with the Maintenance Manual;
 - ii) failure to operate and/or maintain the Aircraft in accordance with Sikorsky recommended operations and/or maintenance procedures, including the operation of the Aircraft outside the limits contained in the Flight Manual with the exception of cases in which the Aircraft continued to be operated due to the operator, acting at all times reasonably, continuing the flight either to the Aircraft's destination or to a suitable alternative destination;
 - iii) damage resulting from contaminated fluids (including but not limited to fuel, oil, nitrogen, and hydraulic fluids), abuse, acts of God or the public enemy, acts of terror, sabotage, riots and vandalism; or
 - iv) parts procured, manufactured, or repaired by sources other than Sikorsky or Service Provider. Customer must obtain approval from Service Provider, on a case-by-case basis, for the supply of parts and/or the services from other sources, prior to any such work being performed or the part being supplied.
2. **Ordering Covered Parts** – Orders for Covered Parts shall be placed in accordance with Exhibit B.
3. **Return of Non-Operational Covered Parts** – Customer will deliver non-operational Covered Parts to Service Provider's designated location within fifteen (15) Days of receipt by Customer of the Replacement Part(s) for the non-operational Covered Part(s) (or the delivery date for the Replacement Part requested by Customer, whichever is later). Non-operational Covered Parts should be packed in the same container(s) (or approved equivalent) in which Replacement Parts were received. Damage associated with improperly packaged non-operational Covered Parts returned to Service Provider will be subject to additional incurred repair cost to Customer. Customer shall bear the expense and risk of loss or damage associated with a non-operational Covered Part until its physical delivery to Service Provider. If a non-operational Covered Part is not returned to Service Provider within the prescribed time frame, Service Provider may invoice, and Customer shall pay, Service Provider's then-current selling price for such part.
4. **Replacement Parts:**
 - a) Customer understands and agrees that Service Provider will be supplying Replacement Parts that Service Provider owns, but which may be drawn from Service Provider's inventory of Covered Parts that may be used in the support of other Service Provider or Sikorsky customers. Accordingly, Replacement Parts may be either new or used serviceable condition.
 - b) Service Provider shall provide all Replacement Parts with appropriate documentation, including serviceability tags (as dictated by the Cognizant Airworthiness Authority) and

log cards. Upon request, Service Provider shall provide records documenting the usage history for used Replacement Parts.

5. Title:

- a) Title to and risk of loss for each Covered Part and/or Replacement Part supplied under this Agreement will transfer to Customer upon delivery in accordance with paragraph 7 below.
- b) Title to and risk in each returned non-operational Covered Part will transfer to Service Provider at the time when the relevant Covered Part is delivered to Service Provider in accordance with paragraph 7 below.

6. Exchange Schedules:

- a) Scheduled exchange of a Covered Part(s): Service Provider must receive a request for a scheduled exchange of a Covered Part a minimum of sixty (60) Days prior to the desired on-site delivery date of the part.
- b) Unscheduled exchange of a Covered Part(s): In the case of an unscheduled exchange of a Covered Part, Service Provider shall use commercially reasonable efforts to ship the required Replacement Part, if available, in accordance with the lead times below:
 - i) **AOG Order:** within forty-eight (48) hours from receipt of order.
 - ii) **Work Stop Order:** within forty-eight (48) to seventy-two (72) hours from receipt of order.
 - iii) **Urgent Order:** within thirty (30) Days or less, as mutually agreed upon by the Parties.
 - iv) **Routine Order:** within sixty (60) Days.
- v) Customer shall not place an AOG Order for a Consigned Part. Rather, Customer shall satisfy the need for such part by removing the part from the consignment inventory in accordance with Exhibit C.

With respect to shipment of AOG Orders in general, and for illustrative purposes only, Service Provider's typical process for fulfilling AOG Orders is to ship a part held in another consignment inventory physically located within California, if available. If not available, Service Provider typically ships a part held in a spare parts inventory physically located at a site managed by Service Provider, Sikorsky, an affiliate, or any logistics provider engaged by one of such entities for purposes of fulfilling spare part orders, first one located within the United States, then internationally. Service Provider may also ship from an inventory held for purposes of production of the S-70i helicopter. If no such part is currently in inventory, Service Provider may also request expedited shipment from the applicable supplier.

Notwithstanding the foregoing, for purposes of this paragraph 6, the term “commercially reasonable efforts” means shipment of a part within the specified timeframe so long as such shipment would not (1) result in Service Provider, Sikorsky, or an affiliate being in breach (or materially at risk of being in breach) of another contract with a third-party or (2) result in Service Provider, Sikorsky, or an affiliate expending funds or incurring liabilities beyond those that are customary and reasonable in nature and amount for the types of transactions contemplated by this Agreement.

7. Shipping/Delivery:

- a) Customer shall ship non-operational Covered Parts to Service Provider (or its designee) at Service Provider’s expense in accordance with FCA Customer’s designated facility (Incoterms 2010), together with all parts and components incorporated into such Covered Part and its log cards and related maintenance records.
- b) Service Provider shall ship Replacement Parts at Service Provider’s expense in accordance with DAP Customer’s designated facility (Incoterms 2010).
- c) Shipment of any parts that are excluded under Article II(1)(b), or any other parts classified as non-covered under this Agreement, will be at Customer’s expense in accordance with DAP Service Provider’s designated facility (Incoterms 2010) (if Service Provider is the receiving party) or FCA Service Provider’s designated facility (Incoterms 2010) (if Customer is the receiving party).
- d) The shipping and delivery terms provided hereunder are trade secrets of Service Provider and are proprietary and confidential to Service Provider.

8. **Publications** – During the Term, Service Provider shall deliver to Customer, at no additional charge, all revisions to the manuals and other Sikorsky publications for the Aircraft set forth in Exhibit E.

Except as otherwise expressly noted herein, Service Provider shall not, in any way, be obligated to deliver to Customer any publications or manuals related to the main engines, or individual main engine parts or components. In the event such publications or manuals are supplied to Service Provider by the engine or part/component manufacturer, Service Provider shall deliver such publications to Customer at no charge.

9. **False Removals** – In the event a Covered Part is removed and designated as unserviceable and returned to Service Provider in exchange for a serviceable Replacement Part, and if the removed Covered Part is upon inspection by Service Provider or its designee determined to be in serviceable condition, Service Provider may charge Customer and Customer shall pay to Service Provider all inspection test and processing costs that are incurred by Service Provider and a restocking fee for the returned serviceable Covered Part.
10. **New Aircraft Original Warranty Waiver** – By entering into this Agreement, Customer agrees that, with respect to each Covered Part, it waives the original Aircraft warranty set

forth in the Aircraft Sales Agreement for such Covered Part until such time as this Agreement is terminated or expires. In the event that this Agreement is terminated prior to the scheduled expiration of the original Aircraft warranty set forth in the Aircraft Sales Agreement, such original warranty for each Covered Part will be reinstated and Customer will be entitled only to the remaining or unexpired duration and terms of such original warranty, as measured from the commencement of the warranty period in accordance with the terms of the Aircraft Sales Agreement. With respect to each Covered Part, the provisions of this Agreement, while in effect, will operate as a substitute for the original Aircraft warranty for such Covered Part set forth in the Aircraft Sales Agreement. If Customer is not the only party with the right to exercise the original Aircraft warranty, Customer shall provide Service Provider with such party or parties' written waiver(s) of the original Aircraft warranty promptly following the Effective Date.

III. CUSTOMER OBLIGATIONS, ADMINISTRATION AND REPORTING

1. **Ownership and Operation of Aircraft** – Customer represents that it is both the record title holder and operator of the Aircraft.
2. **Maintenance Data Reporting** – The Aircraft includes an Integrated Vehicle Health Management System (“IVHMS”). Customer shall provide to Service Provider (or Sikorsky, as the case may be) operational and maintenance (Aircraft/major component logged values, removal records, technical logs including but not limited to PIREPS, MIREPS, checks, and scheduled inspection data) and tracked component (part number, TSO, TSN) data using IVHMS. Data files are to be submitted to Service Provider on a daily basis in the format provided by Service Provider (or Sikorsky, as the case may be) and sent to a Sikorsky FST “ftp” server or by any other mutually agreed method. If data extraction and electronic delivery is not an option, then data may be supplied via other methods in a standard provided by Service Provider.

Request for Service Adjustment data: Additionally, Service Provider requires records and documentation for all premature removals (scheduled and unscheduled) to include at a minimum in respect of removed parts:

1. Description
2. Part number
3. Serial number
4. Installation date
5. Aircraft hours at installation
6. Removal date
7. Aircraft hours at removal
8. Time since new
9. Time since overhauled
10. Circumstances of malfunction/reason for removal.

3. **Usage of Data** – Customer hereby grants to Service Provider, Sikorsky and their subsidiaries and affiliates, unrestricted permission to use any and all Aircraft data, including operating and

maintenance data and IVHMS data, provided by Customer. Service Provider, Sikorsky and their subsidiaries and affiliates shall treat such Aircraft data as proprietary and confidential consistent with the manner in which they treat their own proprietary and confidential data. Any disclosure of Aircraft data to third parties shall be provided under a confidentiality agreement in accordance with Service Provider and Sikorsky procedures or shall be suitably masked or aggregated such that Aircraft data cannot be identified by the tail number. In addition, disclosure of Aircraft data may be made, as necessary to comply with a court order, government investigation, or subpoena; if compelled by a third party having the legal right to order such disclosure; or as may be necessary to protect Service Provider's interest (or that of Sikorsky and/or its subsidiaries, affiliates, or insurers) against asserted or threatened claims or causes of action brought against it by Customer or any third parties. In each of the foregoing circumstances involving legal or regulatory obligation and/or compliance, Service Provider shall provide Customer with prior written notice and the opportunity to object to such disclosure.

4. **Maintenance Data Management Contingency** – Customer shall maintain a written log of Aircraft and engine hours, landings, engine cycles and applicable dates, together with a record of all part replacements and maintenance actions performed on the Aircraft. Customer shall forward copies of the foregoing written logs of maintenance data to Service Provider upon Service Provider's reasonable request.
5. **Flight Hour Validation** – Within seven (7) Days after the end of each month, Customer shall report to Service Provider the total Flight Time flown (no minutes or tenths will be reported) on the Aircraft during the prior month using a Flight Time Reporting Form provided by Service Provider or the Sikorsky 360 Customer Portal located at www.sikorsky360.com (the "Portal"). Customer warrants to Service Provider that all data reported will be correct to the best of its knowledge and belief, and further agrees to grant Service Provider access to Aircraft records upon reasonable request to audit same. The Portal will be the primary mechanism used for Flight Hour billing purposes hereunder. The Flight Time Report will be transmitted by Customer to Service Provider electronically via the Portal and/or e-mail. If this monthly Flight Time Report is not received within thirty (30) Days solely as a result of a delay by Customer reporting data to the Portal after the end of each month, Service Provider shall notify Customer of such delay and if Customer has not cured such breach within ten (10) Days after such notice, all services provided under this Agreement may be suspended by Service Provider, until such time that the information is delivered to Service Provider.
6. **Customer's Obligations on Use and Operation of the Aircraft and Covered Parts:**
 - a) Customer agrees to enroll all S-70i helicopters it operates into coverage under this Agreement (unless otherwise agreed in writing by Service Provider).
 - b) Customer agrees that the parts acquired by Customer as the original installation parts with the Aircraft or as Replacement Parts provided pursuant to this Agreement will be used solely for the operation of the unique Aircraft for which they were acquired and installed upon.

- c) Customer shall ensure that reasonable and commercially customary maintenance efforts are made to troubleshoot and fix/adjust parts and components prior to their removal and replacement.
- d) Customer shall ensure that the Aircraft is operated and maintained in a safe manner and that no modifications are undertaken which could reduce the inherent safety of the Aircraft. Evaluation of safe operation includes operational parameters (weather, training, compliance with applicable procedures), maintenance, modifications or installation of aftermarket products (regardless of whether such product has a Supplemental Type Certificate or other certification) and any other factors which could reasonably affect safe operation of the Aircraft.
- e) Customer agrees that all parts used in connection with the Aircraft will be used under normal operating conditions, properly installed, and operated and maintained in accordance with the then-current Maintenance Manual, Flight Manual, Operating Instructions, or Alert Service Bulletins, or as otherwise officially stated in writing by Sikorsky in an approved publication.
- f) Upon Service Provider's notice or knowledge of the occurrence of any breach of any of the foregoing obligations, Service Provider may exercise any or all of the following rights, in addition to any other rights or remedies available to it at law or equity, with which Customer shall comply:
 - i) Demand that Customer promptly reimburse Service Provider in the total amount of any actual damages assessable against Customer resulting from such breach; and/or
 - ii) Remove the Aircraft or part from the scope of this Agreement and/or refuse coverage therefor under this Agreement; and/or
 - iii) Demand that Customer indemnify and hold harmless Service Provider from and against any and all claims arising from or relating to Customer's unsafe operation or maintenance of the Aircraft.

IV. PURCHASE OF ADDITIONAL PARTS

1. **Purchase of Parts Not Covered by this Agreement** – Customer is responsible for the procurement of any/all parts not covered by this Agreement. In the event Customer elects to purchase such parts from Service Provider, Customer shall follow the procedures set forth in Exhibit B. The price for such parts will be the price quoted by Service Provider and accepted by Customer or the price listed on Service Provider's price list. At least once annually, Service Provider shall provide to Customer a price list for certain parts for the Aircraft. Service Provider shall provide to Customer a credit in the amount of \$300,000 Dollars to be used for the purchase from Service Provider of spare parts for the Aircraft. Such credit will not be available for the purchase of any other products or services (including, but not limited to,

training or maintenance services) available for sale from Sikorsky, Service Provider, or any of their affiliates.

2. **Determination that Parts Are Not Covered** – If a Replacement Part replaces a Covered Part, but it is later determined by Service Provider that such part was not a Covered Part under this Agreement pursuant to Article II, paragraph 1 (b), the Replacement Part will be deemed not to be a Covered Part and be deemed to have been purchased by Customer. If it is a new part, it will be purchased under the conditions of Article IV, paragraph 1 above. If it is a used or overhauled part, the price will be determined on a case-by-case basis taking into consideration the new cost of the part, the remaining service life of the part and the service life limit and calendar life limit of the part. Service Provider also reserves the right to charge for all reasonable and properly documented costs incurred for incoming inspections and testing if the cause for removal is not verified and the proper troubleshooting per the applicable manual is not accomplished.

V. PAYMENT

1. **Flight Hour Hourly Charge** – Subject to Article VI, paragraph 1, Customer shall pay monthly, an amount equal to the Flight Hour Hourly Charge as set forth in Article V, paragraph 7 below, multiplied by the actual Flight Hours of operation for the Aircraft as set forth in the monthly Flight Time Report pursuant to Article III, paragraph 5. Service Provider will generate an invoice for the monthly Flight Hour Charge and Customer shall submit payment to Service Provider not later than thirty (30) Days from the date of invoice (the “Payment Due Date”). If Customer fails to submit the monthly Flight Time Report as required, Service Provider reserves the right to submit an invoice based on estimated Aircraft Flight Hours for the month. All amounts are payable in U.S. Dollars. Service Provider shall consider all payments interim pending audit of Customer’s logbooks. The Parties agree that Customer's obligation to make timely payments in accordance with the terms and conditions set forth in this Agreement is a material obligation and any non-payment or repeated/prolonged late payment under this Agreement is a material breach by Customer.
2. **Late Charge** – Interest equivalent to an annual rate of eighteen percent (18%), or one and a half percent (1.5%) per month, will be charged on all past due amounts that are not otherwise in dispute. All late charges invoiced are payable net thirty (30) Days from the date of Service Provider’s invoice.
3. **Certain Rate Revisions** – The rates provided in this Agreement are subject to revision based on any changes from the Aircraft’s country of operation, environmental conditions for operation or mission and operational parameters identified in Exhibit D.
4. **Additional Charges** – In the event that a non-serviceable Covered Part is returned in exchange for a serviceable Replacement Part supplied by Service Provider, has in the reasonable opinion of Service Provider, been subject to use or conditions constituting more than ordinary wear or tear or as set forth in Article II, paragraph 1 (b), Service Provider may bill Customer for the Replacement Part at Service Provider’s then-current sales price for such part.

5. **Taxes** – Customer shall be responsible for payment of any and all Taxes (other than Service Provider Taxes), which may be imposed by any taxing authority in respect of the subject matter of this Agreement. If Service Provider is held responsible for any Taxes in respect of this Agreement (other than Service Provider Taxes) by any taxing authority for collection or payment, either on its own behalf or that of Customer, Customer shall pay all such taxes to Service Provider upon Customer’s receipt of a demand for such tax. If the transactions in this Agreement are exempt or excluded from taxation, Customer shall provide tax indemnification to Service Provider, via a written statement in the format required by the laws of the jurisdiction for which Customer is asserting said exemption or exclusion, that the transaction is exempt. Said statement must be provided ninety (90) Days prior to delivery of the first Aircraft or Customer will be deemed to have conceded the applicability of said Taxes and as such authorizes Service Provider to collect and remit them to the relevant jurisdiction(s).

6. **Minimum Annual Flight Hours** –

A) Following the conclusion of each calendar year, if the Operational Average (as defined below) for the Aircraft exceeds the Minimum Utilization Rate for such year by at least one flight hour band (as set forth on the hourly rate scale in Exhibit D), Service Provider shall issue a credit to Customer’s account per the formula below. Subject to Article VI, paragraph 1, if the Operational Average is less than the Minimum Utilization Rate but at least 100 Flight Hours, Customer shall make an additional payment to Service Provider per the formula below.

“Operational Average” means the total hours flown by all Aircraft for such calendar year divided by the number of Aircraft covered under this Agreement during the year (pro-rated for partial year coverage).

The credit or additional payment will be determined according to the following formula:

$$(OAR - MUR) \times AFH.$$

For purposes of the above formula:

(i) OAR = the Flight Hour Hourly Charge based on the Operational Average (as determined by selecting the flight hour band on the hourly rate scale in Exhibit D that is less than such average). For example, if total hours flown by a total of two Aircraft in calendar year 2020 is 320 Flight Hours (for an Operational Average of 155 per Aircraft), the OAR for such year will be the Flight Hour Hourly Charge for calendar year 2020 at the 150 hour band.

(ii) MUR = the Flight Hour Hourly Charge based on the Minimum Utilization Rate for the applicable calendar year.

(iii) AFH = the actual Flight Hours flown.

If the product of the above formula is a negative number, Service Provider shall credit such amount to Customer's account at Service Provider. Where the product is a positive number, Customer shall pay such amount to Service Provider within thirty (30) Days of the date of Service Provider's invoice therefor.

- B) If the Operational Average is less than 100 Flight Hours, (pro-rated for partial year coverage), then Customer shall make an additional payment to Service Provider, determined according to the following formula:

100 Flight Hours (pro-rated for partial year coverage, if applicable),

multiplied by

the number of Aircraft covered under the Agreement during the year,

multiplied by

the Flight Hour Hourly Charge at the 100 hour band on Exhibit D for the applicable calendar year,

minus

the total amounts due from Customer pursuant to Article V, paragraph 1 for such calendar year.

- C) Customer has engaged a third-party completions center to install certain mission-specific equipment on the Aircraft following Customer's acceptance of the Aircraft from Sikorsky pursuant to the Aircraft Sales Agreement. Subparagraph (A) above shall not apply to the Aircraft until the date upon which Customer accepts such Aircraft from such third-party completions center. Customer shall promptly notify Service Provider in writing of the date Customer accepts an Aircraft from the third-party completions center. For purposes of subparagraph (A) above, the Minimum Utilization Rate with respect to an Aircraft will be pro-rated based on the number of months between Customer's acceptance of such Aircraft from the third-party completion center until the end of such calendar year.

- D) For purposes of this paragraph 6, the Minimum Utilization Rate with respect to each Aircraft is pro-rated for any partial calendar year based on the number of months the Aircraft was covered under this Agreement.

- E) The credit(s) and/or additional payment(s) provided for in this paragraph 6 are trade secrets of Service Provider and are proprietary and confidential to Service Provider.

7. **Flight Hour Hourly Charge** – The Flight Hour Hourly Charge will be determined as follows:

- a) The Flight Hour Hourly Charge for calendar year 2020 is the price specified in Article I.

- b) At the end of each calendar year, and at the end of each subsequent calendar year, the Flight Hour Hourly Charge is subject to adjustment, in accordance with Exhibit D, for an annual price escalation and should Customer elect to change the Minimum Utilization Rate in accordance with paragraph 8 below. The adjusted Flight Hour Hourly Charge price will remain in effect for the following calendar year.
- c) The Flight Hour Hourly Charge for calendar year 2020 and the annual adjustments set forth in Exhibit D are trade secrets of Service Provider and are proprietary and confidential to Service Provider.
8. **Adjustments to the Minimum Annual Flight Hours** – At the beginning of each calendar year, Customer may elect to adjust the Minimum Utilization Rate for such year by notifying Service Provider via e-mail no later than February 15th. If Customer should so elect to adjust the Minimum Utilization Rate, the Flight Hour Hourly Charge for the next year will be adjusted in accordance with Exhibit D.
9. **Unused Hour Charge** – For those Covered Parts with a scheduled life limit or overhaul limit, as identified in the applicable section of the Maintenance Manual, if such part is removed prior to the expiry of ninety-five percent (95%) of that part's service life to its stated TBO, for any other reason than because the component has been found to be unserviceable or due to a HUMS Report requiring removal, Customer shall pay the difference between the TBO and the hours at removal multiplied by the quotient of current selling price divided by the life of the part.
10. **Upgradeable Component Charge** – If Sikorsky develops upgrades to a Covered Part (including updated versions of proprietary software incorporated into the Aircraft or a Covered Part), Customer will be entitled to the benefit of that upgrade and Service Provider shall provide such upgrade to Customer in the normal course of the supply of Replacement Parts. If the upgrade is not covered by Article II, paragraph 1(a), Customer will have the option to purchase the upgrade at an additional cost. The upgrade will be provided at no additional cost if the original component or software version, as the case may be, cannot be supported.
11. **AOG Credit** –
- (a) In the event that Service Provider does not ship an AOG Order for a Covered Part within seventy-two (72) hours, Customer shall be entitled to a credit with respect to the Operational Average calculated pursuant to Article V, paragraph 6 above. For each full 24-hour period exceeding the 72-hour grace period, Customer will receive a one Flight Hour increase to the numerator (i.e., the total hours flown) in calculating the Operational Average. By way of example, if the Minimum Utilization Rate for one Aircraft is 250 hours, the actual flight hours flown by such Aircraft during the year was 295 hours, and shipment of an AOG Order was delayed 10 Days beyond the grace period, then the total hours flown for purposes of calculating the Operational Average would be 305 hours (295 actual hours plus a 10-hour AOG credit) as the numerator (rather than 295) for purposes of the formula set forth in Article V, paragraph 6 above; *provided, however*, that the total increase to the numerator of the Operational Average may not exceed 30 hours per Aircraft per calendar year.

- (b) In order for Customer to receive the Operational Average adjustment set forth in subparagraph (a), Customer must notify Service Provider within 30 Days following shipment of an eligible AOG Order of the total delay time and that Customer intends to exercise the right to this credit. Service Provider will provide written confirmation agreeing to the details of the transaction and confirm the number of Days for purposes of determining the credit to the Operational Average numerator.
- (c) The credit(s) provided for in this paragraph 11 shall be Customer's sole and exclusive remedy for late shipment of an AOG Order for a Covered Part.
- (d) The credit(s) provided for in this paragraph 11 are trade secrets of Service Provider and are proprietary and confidential to Service Provider.

12. Entry Payment –

- (a) With respect to the Aircraft with S/N 704025, upon execution of this Agreement, Customer shall pay to Service Provider a one-time entry payment to account for the time accrued on such Aircraft following acceptance of such Aircraft under the Aircraft Sales Agreement. The payment will be calculated by multiplying the then-current Flight Hour Hourly Charge for that calendar year (as set forth in Exhibit D) by the number of Flight Hours accrued on each Aircraft between acceptance of such Aircraft under the Aircraft Sales Agreement and the Effective Date of this Agreement.
- (b) With respect to any subsequent Sikorsky S-70i helicopter added to coverage under this Agreement in accordance with Article IV, paragraph 2, upon execution of the applicable amendment, Customer shall pay to Service Provider a one-time entry payment to account for the time accrued on such Aircraft following acceptance of such Aircraft under the Aircraft Sales Agreement. Such payment will be calculated by multiplying the then-current Flight Hour Hourly Charge by the number of Flight Hours accrued on such Aircraft between acceptance of such Aircraft under the Aircraft Sales Agreement and the Effective Date of this Agreement.

13. Payment Address – All payments to Service Provider are to be made in United States Dollars to:

If by wire or Automated Clearing House (ACH) Electronic Funds Transfer (EFT):

Account: Helicopter Support, Inc. d/b/a Sikorsky Commercial, Inc.
Account No. 31079882
Routing No. 021000089
SWIFT Code: CITIUS33
Citibank
399 Park Avenue
New York, NY 10043,

(or another account that Service Provider may designate in writing).

If sent via U.S. postal service, payable to “Helicopter Support, Inc.” at the following address:

JP Morgan Chase Bank
Attn: Helicopter Support, Inc.
P.O. Box 26149
Chicago, IL 60673-6149

If sent via courier service commercial carrier (FedEx, DHL, etc.), payable to “Helicopter Support, Inc.” at the following address:

JP Morgan Chase Bank
Attn: Helicopter Support, Inc. Lockbox #26149
131 S. Dearborn, 6th Floor
Chicago, IL 60603

Twenty-four (24) hours before payment, Customer shall e-mail a statement detailing the payment amounts and invoice numbers to Service Provider at sci_ar.gr-sik@lmco.com.

VI. COMPENSATION

1. **Total Compensation** – During the Term, and unless the Parties agree otherwise in writing by executing an amendment to this Agreement, the total amount due from Customer to Service Provider hereunder shall not exceed \$7,500,000.00 Dollars.
2. **Annual Appropriation of Funds** – Service Provider acknowledges that the Term may extend over multiple Customer fiscal years, and that work and compensation under this Agreement is contingent on the San Diego City’s Council appropriating funding for and authorizing such work and compensation for those fiscal years. Customer’s fiscal year begins on July 1st. This Agreement may be terminated by either Party prior to the start of a fiscal year for which sufficient funding is not appropriated and authorized. Customer shall notify Service Provider in writing at least ninety (90) Days prior to the start of each fiscal year as to whether sufficient funding has been appropriated and authorized. Customer is not obligated to pay Service Provider for any amounts not duly appropriated and authorized by the City Council.

VII. GENERAL CONTRACT TERMS AND PROVISIONS

1. **City’s Mandatory Contract Terms and Provisions** – This Agreement incorporates the City’s Mandatory Contract Terms and Provisions, attached hereto as Exhibit F.

VIII. TERMINATION AND TRANSFER OF BENEFITS

1. **Termination for Default** – One or both Parties may terminate this Agreement with respect to any or all Aircraft if any of the following events occur:

- a) By Service Provider, immediately upon written notice to Customer, if any repair or overhaul is performed on any Covered Part by an organization other than Service Provider without Service Provider's written consent.
 - b) By Service Provider, immediately upon written notice to Customer, if the Aircraft is used for Repetitive External Lift (REL), which results or may result in substantially greater wear and tear of any of Covered Parts than that which occurs on parts under normal transport operating conditions. Snorkeling operations performed by Customer as part of the firefighting mission are not considered REL.
 - c) By either Party, immediately upon written notice to Customer, if the Aircraft suffers an accident rendering the Aircraft unsalvageable and a total loss.
 - d) By either Party, if the other Party is in default in respect to any material provision of this Agreement and remains in default for a period of thirty (30) Days (or such longer period if the non-defaulting Party can demonstrate to the other Party's reasonable satisfaction that it is taking all available action to cure such default) after receipt of notice thereof.
 - e) By Service Provider, immediately upon written notice to Customer, if Customer uses Replacement Parts for any purpose other than for the Aircraft(s) covered under this Agreement without Service Provider's specific authorization.
 - f) By Service Provider, immediately upon written notice to Customer, if Customer breaches any of its obligations under Article III, paragraph 6 or any payment obligations hereunder; however, Service Provider may also elect in the alternative, and in its sole discretion, to refuse coverage for the applicable part(s) or Aircraft covered under this Agreement.
2. **Customer's Right to Terminate** – Customer may terminate this Agreement at any time upon ninety (90) Days prior written notice.
3. **Addition or Removal of Aircraft** – Customer may request that one or more Aircraft may be removed from coverage hereunder or, if Customer purchases additional Sikorsky S-70i helicopters, that such additional helicopters be added to coverage hereunder. No such addition or removal shall be effective until the parties have executed an amendment to this Agreement in accordance with its terms. In the case of a request to add a used helicopter to coverage, Service Provider shall be entitled to conduct an initial inspection of the helicopter, at Customer's cost and expense, and Customer may be required to replace any discrepant or nonconforming parts prior to the effective date of entry into coverage hereunder. Further, Customer will be required to make a one-time entry payment to Service Provider to account for Flight Time accrued on the helicopter and/or its parts and components, as described in Article V, paragraph 12.

IX. STANDARD TERMS AND CONDITIONS

1. **Compliance with Laws** – In the performance of this Agreement, Service Provider and Customer shall comply with all applicable federal, state and local laws, rules, regulations, ordinances, directives, guidelines, policies and procedures, including but not limited to those

listed below, and all provisions, required thereby to be included in this Agreement are hereby incorporated herein by reference. Any violation of applicable federal, state and local laws, rules, regulations, ordinances, directives, guidelines, policies and procedures, and all provisions required thereby shall constitute a material breach of this Agreement.

2. Excusable Delay –

(a) Neither Party shall be charged with any liability for delay or non-delivery when due to delays of suppliers, subcontractors, acts of God, terrorism or the public enemy, compliance in good faith with any applicable foreign or domestic governmental regulation or order whether or not it proves to be invalid, fires, riots, labor disputes, unusually severe weather, or any other cause beyond the reasonable control of such Party and without any fault or negligence of such party (such an event being an “Excusable Delay”). To the extent an Excusable Delay actually delays performance on the part of a Party, the time for such Party’s performance shall be extended for as many days as are required to remove such causes. This Paragraph shall not, however, relieve either Party from using commercially reasonable efforts to avoid or remove such causes and continue performance with reasonable dispatch whenever such causes are removed. Upon becoming aware of the occurrence of an Excusable Delay, the impacted Party shall notify the other Party in writing as promptly as practical.

(b) Notwithstanding the foregoing:

(i) Default by a subcontractor of Service Provider shall not constitute an Excusable Delay, unless such default arises out of causes beyond the reasonable control of both Service Provider and such subcontractor, and without any fault or negligence of either of them. In such case, Service Provider shall not be liable for failure to perform, unless the goods or services to be furnished by the subcontractor were obtainable from other sources in sufficient time to permit Service Provider to meet the required performance schedule without a material increase in cost or expense; and

(ii) Customer shall not be entitled to claim Excusable Delay with regard to Customer’s payment obligations under this Agreement.

3. Export Licenses – Customer will, on Service Provider’s request, assist Service Provider in Service Provider’s efforts to obtain any U.S. government export license or similar authorization which may be required now or hereafter for export of parts, services, or related data. The Parties acknowledge that this Agreement is conditioned upon the ability of the Parties to conform to the laws and regulations of the United States and its various cognizant departments regarding performance under this Agreement. Customer also agrees that this Agreement is conditioned on Customer's agreement to not re-transfer, re-export or divert any export-controlled parts, services, or related data if such re-transfer, re-export or diversion would be a violation of any U.S. export or sanctions laws. Any technical data or defense service exported from the United States in support of this Agreement may not be used for the production or manufacture of any defense article and shall not be transferred to a person in a third country or to a national of a third country unless the prior written approval of the U.S.

government has been obtained. The foregoing obligation will remain binding on Customer after the termination of this Agreement.

4. **Import Licenses** – With respect to any import laws and other regulations of the country of destination and its various cognizant departments regarding the import of the parts hereunder, Customer shall be solely responsible for advance notification to Service Provider and obtaining and complying with any and all import licenses or other authorizations which may be required for such activity.
5. **Assignment** – This Agreement shall inure to the benefit of and be binding upon the successors and assigns of the Parties hereto, but neither Party shall assign its rights or delegate its duties under this Agreement, or both, whether in whole or in part, without the prior written consent of the other Party, which shall not be unreasonably withheld, and any attempted assignment or delegation without such consent shall be null and void; provided, however, that Service Provider shall have the right to assign this Agreement to Sikorsky or one of its subsidiaries or affiliates upon written notification to Customer. For purposes of this Paragraph, Customer's consent shall require a written amendment to this Agreement, which is formally approved and executed by the Parties. Any payments by Customer to any approved delegate or assignee on any claim under this Agreement shall be deductible, at Customer's sole discretion, against the claims, which Service Provider may have against Customer.
6. **Entire Agreement** – The terms and conditions contained in this Agreement constitute the entire agreement between the Parties and shall supersede all previous communications, representations or agreements, either oral or written, between the Parties with respect to the subject matter hereof, and no agreement or understanding varying or extending the same will be binding upon any Party unless in writing, signed by a duly authorized officer or representative thereof.
7. **Validity** – If any provision of this Agreement or the application thereof to any person or circumstance is held invalid, the remainder of this Agreement and the application of such provision to other persons or circumstances shall not be affected thereby.
8. **Waiver** – No waiver by either Party of any breach of any provision of this Agreement shall constitute a waiver of any other breach or of such provision. Failure of a Party to enforce at any time, or from time to time, any provision of this Agreement shall not be construed as a waiver thereof.
9. **Authorization Warranty** – Each Party represents and warrants to the other Party that the person executing this Agreement is an authorized agent who has actual authority to bind such Party to each and every term, condition, and obligation of this Agreement and that all requirements of such Party have been fulfilled to provide such actual authority.
10. **Notices** – All notices or communications of any kind under and with respect to this Agreement shall be in the English language. All legal notices pertaining to this Agreement shall be given by hand delivery, registered mail, or commercial carrier (FedEx, DHL, etc.) and addressed as follows: if to Customer, the notice shall be addressed as indicated in Article I; and if to Service

Provider, the notice shall be addressed to: Helicopter Support, Inc. dba Sikorsky Commercial, Inc., c/o Sikorsky Aircraft Corporation, 6900 Main Street, P.O. Box 9729, Stratford, Connecticut 06615, Attn: Vice President – General Counsel. Addresses may be changed by either Party giving ten (10) Days prior written notice thereof to the other Party. Any legal notice sent by one Party to the other shall be effective on the date upon which receipt can be confirmed by the receiving Party.

11. **EXCLUSIVE REMEDIES/NO WARRANTY – TO THE EXTENT PERMITTED BY LAW AND EXCEPT AS EXPRESSLY SET FORTH IN ARTICLE IX, PARAGRAPH 9 ABOVE, THE WARRANTIES AND REMEDIES PROVIDED BY SERVICE PROVIDER UNDER THIS AGREEMENT ARE EXCLUSIVE AND ARE GIVEN AND ACCEPTED IN LIEU OF (i) ANY AND ALL WARRANTIES OR REMEDIES, EXPRESS OR IMPLIED, INCLUDING WITHOUT LIMITATION, THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE, WITH SUCH WARRANTIES AND ANY OTHER WARRANTIES, INCLUDING DESIGN WARRANTIES, BEING EXPRESSLY DISCLAIMED HEREBY; AND (ii) ANY OBLIGATION, LIABILITY, RIGHT, CLAIM, OR REMEDY IN CONTRACT OR TORT, WHETHER OR NOT ARISING FROM SERVICE PROVIDER’S OR ANY OF ITS CORPORATE PARENTS’ OR AFFILIATES’ NEGLIGENCE, ACTUAL OR IMPUTED, STRICT TORT LIABILITY OR BREACH OF WARRANTY. NO AGREEMENT VARYING OR EXTENDING THE FOREGOING WARRANTIES, REMEDIES, OR THIS LIMITATION WILL BE BINDING UPON SERVICE PROVIDER OR ANY OF ITS CORPORATE PARENTS OR AFFILIATES UNLESS IN WRITING, SIGNED BY A DULY AUTHORIZED OFFICER OF SUCH ENTITY.**

12. **Limitation of Liability** – With respect to any item or service provided under this Agreement and alleged to be the cause of any loss or damage to Customer, the sum equal to Service Provider’s established selling price for such item or service shall be the ceiling limit on Service Provider’s or any of its corporate parents’ or affiliates’ liability, whether founded in contract or tort (including negligence, strict tort liability or breach of warranty), arising out of or resulting from (i) this Agreement or the performance or breach thereof or (ii) the design, manufacture, delivery, sale, repair, replacement, use or furnishing of any item or service. In no event shall Service Provider or any of its corporate parents or affiliates have any liability for any indirect, incidental, consequential or special damages arising from or relating to the performance of this Agreement.

13. **Patent Infringement** – Service Provider shall indemnify and hold harmless and conduct, at its own expense, the entire defense of any claim, suit or action alleging that, without further combination, the use or resale by Customer of any part or service delivered hereunder directly infringes any United States patent or design but only on the condition that (a) Service Provider receives prompt written notice of such claim, suit, or action and full opportunity and authority to assume the sole defense thereof, including settlement and appeals, and all information available to Customer for such defense; (b) said part is made according to a specification or design furnished by Service Provider or, if a process patent is involved, the process performed by the part(s) is recommended in writing by Service Provider; and (c) the claim, suit, or action

is brought against Customer. Provided that all of the foregoing conditions have been met, Service Provider shall, at its own expense, either settle said claim, suit, or action or shall pay all damages (excluding incidental, consequential, and/or punitive damages), and, if the use or resale of such part is finally enjoined, Service Provider shall promptly, at Service Provider's option: (i) procure for Customer the right to use or resell the part, (ii) replace the part with an equivalent noninfringing part, or (iii) modify the part so that it becomes noninfringing but equivalent, or (iv) provided that an equivalent noninfringing part is available, remove the part and refund the purchase price (less a reasonable allowance for use, damage, and obsolescence).

If a claim, suit, or action is based on a design or specification furnished by Customer, or on the performance of a process not recommended in writing by Service Provider, or on the use or sale of the parts delivered hereunder in combination with other helicopter parts not delivered to Customer by Service Provider, Customer shall indemnify and save Service Provider and/or Sikorsky harmless therefrom.

The indemnification provided under this paragraph 13 is a trade secret of Service Provider and is proprietary and confidential to Service Provider.

14. **Disputes** – Prior to a Party initiating a formal legal proceeding relating to a dispute under this Agreement, that Party must provide the other Party with a written request for dispute resolution. Should the Parties fail to reach agreement on the subject of the dispute within thirty (30) Days of the request, either Party may pursue the rights and remedies available to it at law or equity. Notwithstanding the foregoing, either Party may resort to a formal legal proceeding for equitable relief at any time, and/or may institute litigation in order to avoid the expiration of any applicable limitations period or to preserve a superior position with respect to creditors.
15. **Governing Law** – This Agreement shall be interpreted in accordance with the plain English language meaning of its terms, and the construction thereof shall be governed by the laws of the State of California, United States of America, excluding California's choice of law provisions and excluding the United Nations Convention on Contracts for the International Sale of Goods. The parties shall submit to the exclusive jurisdiction of both the state and federal courts of California with regard to any and all disputes relating to this Agreement.
16. **Non-Disclosure** – With exception for the existence of this Agreement, the Parties hereby agree neither Party shall disclose to any third party the contents of this Agreement without the prior written approval of the other Party except as may be required in the performance of this Agreement or as may be required by California Government Code Section 6254, subject to the limitations and exemptions of each such code (including, but not limited to, those exceptions contained in the California Government Code Section 6250 et seq. (Public Records Act), Section 6254 (k), and the California Evidence Code Section 1060 with respect to information marked "trade secret", "confidential", or "proprietary").
17. **Counterparts** - This Agreement may be executed in two (2) or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Counterparts may be delivered via facsimile, electronic mail (including pdf) or

other transmission method and any counterpart so delivered shall be deemed to have been duly and validly delivered and be valid and effective for all purposes.

[Signature page follows.]

IN WITNESS WHEREOF, this Agreement has been executed by each party's authorized representative.

**HELICOPTER SUPPORT, INC.
d/b/a SIKORSKY COMMERCIAL, INC.**

By: *SMP Palaia*
Name: Shannon M. Palaia
Title: Contracts Negotiator
Date: February 26, 2020

CITY OF SAN DIEGO

By: *Kristina Peralta*
Name: Kristina Peralta
Title: Director
Purchasing & Contracting
Date: ~~23 APR 2020~~ 21 MAY 2020

APPROVED AS TO FORM:

By: *Lara Easter*
Name: Lara Easter
Title: Deputy City Attorney
Date: May 26, 2020

00-21186

EXHIBIT A **COVERED PARTS**

THIS EXHIBIT A CONTAINS TRADE SECRETS AND OTHER TECHNICAL, BUSINESS AND/OR FINANCIAL INFORMATION THAT IS PROPRIETARY AND CONFIDENTIAL TO SERVICE PROVIDER.

A. **Covered Parts** in this Agreement means and includes all parts included in and on the Aircraft delivered under the Aircraft Sales Agreement for the Aircraft, including all airframe, power train assemblies, blades and avionics parts, **except for the following items:**

- i) **Engines and Engine Components** – The engines and engine parts, fuel controls, and components installed on the engines.
- ii) **Post-Acceptance Equipment Installed By Other Than Sikorsky** – Any part or equipment delivered or installed after acceptance of an Aircraft pursuant to the Aircraft Sales Agreement by another facility without Sikorsky’s or Service Provider’s prior approval or authorization.
- iii) **Interior Furnishings** – All interior furnishings and soft goods, including but not limited to interior paint, carpets, flooring, seat cushions, fabric, acoustic panels, luggage handling, and their related hardware, with the sole exception of crew seating.
- iv) **Paints and Finishes** – All exterior paint finishes and exterior markings.
- v) **Medical Interiors and Equipment**
- vi) **Customer-Unique Items** – Search and Rescue (SAR) and firefighting specific equipment.
- vii) **Rescue Hoist and Pendant**
- viii) **Replacement Parts** – All replacement parts with a unit value of two hundred US Dollars (US\$200.00) or less.
- ix) **Non-Mandatory Changes** – Unless otherwise mutually agreed between the Parties, all modifications to the Aircraft which are undertaken as elective options, upgrades or improvements to the Aircraft, and not mandated by Sikorsky and/or the Cognizant Airworthiness Authorities.
- x) **Non-Authorized Parts** – All parts procured, manufactured or repaired by sources other than Sikorsky or Service Provider.
- xi) **Consumable Materials** - All fuel, oil, lubricants, fluids, adhesives and solvents as defined in the maintenance manual as “consumable” materials.

xii) **Ground Support Equipment and Tools** - All ground handling equipment, special tools and ground support equipment, and all mechanic hand tools.

xiii) **Third-party supplied spare parts**

B. Scheduled Covered Parts – Basic Preventative Maintenance:

- i) All Calendar limited, Life Limited, Cycle Limited and Overhaul Limited parts (as defined in TM 1-S70i-280-23-9, Chapter 35, Work Package 1518 00, Retirement Schedule and Work Package 1519 00, Life Limited Components) are included in this Agreement with the exception of:
 - (a) Parts requiring replacement on a “time expired scheduled” basis with a life limitation of more than 5,100 Flight Hours,
 - (b) Parts requiring replacement on a “time expired scheduled” basis with a landing cycle limitation of more than 10,200 landing cycles, and
 - (c) Parts requiring replacement on a “time expired basis” with a calendar time limitation of more than ten (10) years.

C. All Calendar limited, Life Limited, Cycle Limited and Overhaul Limited parts (as defined in TM 1-S70i-280-23-9, Chapter 35, Work Package 1518 00, Retirement Schedule and Work Package 1519 00, Life Limited Components) are included in this Agreement if such parts should require replacement on an unscheduled basis due to normal, reasonable wear and tear.

EXHIBIT B

ORDERING PROCEDURE

All orders for Covered and/or Non-Covered Parts should be directed to Service Provider via the Portal.

For Covered Parts:

Customer shall submit a Request for Service Adjustment via Service Provider's Portal, which includes the following information:

- 1) Customer Information
 - a) Name
 - b) Address if different than standard shipping address

- 2) Aircraft Information
 - a) Model Number
 - b) Serial Number
 - c) Total Aircraft Hours

- 3) Removed Part Information
 - a) Description
 - b) Part Number
 - c) Serial Number (if applicable)
 - d) Installation Date
 - e) Aircraft Hours at Installation
 - f) Removal Date
 - g) Aircraft Hours at Removal
 - h) Time Since Overhauled
 - i) Reason for Removal
 - j) Date Removed

- 4) Replacement Part Information
 - a) Part Number
 - b) Serial Number
 - c) Packing list number of the document referenced for the shipment of the replacing part.
 - d) Date replacement part installed in Aircraft
 - e) Customer Purchase Order-Optional will be referenced on shipment for customer convenience.

- 5) Originator
 - a) Date

FOR NON-COVERED PARTS: Customer is responsible for the procurement of any/all parts not covered by this Agreement. In the event that Customer should elect to purchase such parts from Service Provider, Customer shall issue a purchase order using Service Provider's Portal. The price for such parts will be the price quoted by Service Provider and accepted by Customer (or as listed on Service Provider's price list), and will be supplied in accordance with the terms and conditions set forth in Service Provider's then-current Standard Terms and Conditions of Sale, which will be made available to Customer at the time of order. As described in Article IV, paragraph 1 of this Agreement, Service Provider shall provide to Customer a credit in the amount of \$300,000 Dollars to be used for the purchase from Service Provider of spare parts for the Aircraft. Such credit will not be available for the purchase of any other products or services (including, but not limited to, training or maintenance services) available for sale from Sikorsky, Service Provider, or any of their affiliates.

EXHIBIT C
CONSIGNMENT INVENTORY

THIS EXHIBIT C CONTAINS TRADE SECRETS AND OTHER TECHNICAL, BUSINESS AND/OR FINANCIAL INFORMATION THAT IS PROPRIETARY AND CONFIDENTIAL TO SERVICE PROVIDER.

Service Provider shall consign the following spare part(s) to Customer for purposes of supporting the Aircraft:

Part Number	Part Description	Quantity
S7060-01711-101	Multi-Function Display	1

The Consigned Parts can consist only of such commercial items as are subject to the United States Export Administration Regulations, 15 C.F.R. § 730 et seq. and classified under Export Control Classification Numbers controlled for Anti-Terrorism and below reasons only.

1. **Delivery of Consigned Parts** – The inventory of Consigned Parts will be located at 4302 Ponderosa Ave., San Diego, CA 92123 (the “Consignment Location”). Service Provider shall ship the Consigned Parts to the Consignment Location, at Customer’s expense, in accordance with FCA Service Provider’s designated facility (Incoterms 2010).
2. **Use of Consigned Parts**
 - a) **Service Provider’s use of Consigned Parts** – The Consigned Parts will be stored at the Consignment Location for use by Customer to support the operation of the Aircraft. However, Service Provider may use the Consigned Parts to support other operators. The reallocation of Consigned Parts to other operators will only be required in the event that the other operator is in an AOG condition. In the event of such reallocation, Service Provider will provide, as soon as reasonably possible, a replacement Consigned Part at no transportation cost to Customer. Once the Consigned Part has been released by Customer for reallocation, Service Provider shall bear all subsequent costs of transportation and risk of loss for the Consigned Part. Customer shall not be charged a Consigned Parts fee for the part so reallocated from the time it leaves the Consignment Location to the date the replacement part is received by Customer.
 - b) **Consigned Parts** – Customer understands and agrees that the Consigned Parts may be new or used-serviceable parts that may have been exchanged between various operators. All Consigned Parts will be documented with serviceability tags applicable to the Cognizant Airworthiness Authority upon shipment from Service Provider.
 - c) **Receipt of Consigned Parts** – Customer shall inspect and acknowledge the receipt of each Consigned Part. Customer assumes responsibility and bears the risk of loss or damage for all Consigned Parts shipped by Service Provider to Customer less those parts found by

Customer to be defective or non-conforming and reported in writing to Service Provider within two (2) business Days of receipt of each shipment.

- d) **Title Transfer of Consigned Parts** – Notwithstanding Article II, paragraph 5 of the Agreement, title to each Consigned Part supplied to Customer under this Agreement will transfer from Service Provider to Customer at time of removal from the inventory.
- e) **Removal of Consignment Parts from Inventory** – Customer shall notify Service Provider within forty-eight (48) hours each time a Consigned Part is removed from the inventory using the Request for Service Adjustment issued using Service Provider’s Portal. Customer shall provide the applicable information on the non-operational part being removed from the Aircraft as provided for in the Request for Service Adjustment. The removed part will be returned to Service Provider with a copy of the completed Request for Service Adjustment form within thirty (30) Days from the date that the non-operational part was removed from the Aircraft and replaced with a like Consigned Part. In the event that Customer fails to return the non-operational part within thirty (30) Days, Customer shall be invoiced and pay Service Provider the full sales price of a new Replacement Part. The Request for Service Adjustment must also include the following documentation describing the Consigned Part removed from the inventory:
- i) Part Number
 - ii) Nomenclature
 - iii) Part Serial Number (if applicable)
 - iv) Quantity withdrawn from the inventory
 - v) Date of withdrawal
 - vi) A brief description of why the Consigned Part was required for installation on the helicopter
 - vii) Identification of the helicopter serial number on which the part was installed
- f) **Removal Charge** – If the Consigned Part removed from the inventory is a Covered Part under this Agreement, there will be no charge to Customer for the part, as it will be deemed to have been supplied pursuant to this Agreement. Replacement Parts will be shipped to replace the part removed from the inventory against the same Request for Service Adjustment used to document the removal of the original Consigned Part. If the Consigned Part removed from the inventory is not a Covered Part, then Customer will be deemed to have purchased the part at Service Provider’s then-current sales price, and subject to Service Provider's then-current Standard Terms and Conditions of Sale, which will be provided to Customer upon request.
- g) **Storage of Consigned Parts** – Service Provider shall retain title and control of all Consigned Parts located at the Consignment Location. Customer shall store Consigned Parts in a suitable, secure indoor storage area at no cost to Service Provider. Customer shall allow Service Provider access to all Consigned Parts for inventory control and audit purposes. Customer agrees to keep Consigned Parts physically segregated from any other

inventory of equipment and parts and institute a system of tracking the physical location of such Consigned Parts.

- h) **No Liens** – Customer shall not, and shall not permit any of its creditors to, place any lien or encumbrance whatsoever on the Consigned Parts. Customer shall, upon Service Provider's request, execute such certifications and/or affidavits required by Service Provider to evidence compliance with this provision. In the event that Customer petitions for relief under the Bankruptcy Act, or if voluntary or involuntary bankruptcy proceedings are instituted under any federal, state, or foreign bankruptcy laws relative to Customer, or if Customer is adjudged as bankrupt, or if an assignment is made for the benefit of Customer's creditors, then Service Provider may, at its option, immediately terminate this Agreement with no liability, cost, or further obligation to Customer and Customer shall, upon receipt of such notice, immediately secure the Consigned Parts and proceed with returning the Consigned Parts in a manner directed by Service Provider.
- i) **Inventory Reports** – Customer agrees to provide Service Provider with status reports of the Consigned Parts in inventory on a monthly basis, within seven (7) Days of the end of each month. Customer further agrees to permit Service Provider or its designated accounting agency full audit rights in support of Service Provider's physical inventory provided that such audit does not interfere with Customer's business operations.

3. **Price –**

- a) Customer agrees to pay Service Provider for each Consigned Part that is not a Covered Part removed from the inventory at the price determined in accordance with paragraph 2, f) above. Service Provider's invoice will reflect the Request for Service Adjustment number documenting the removal of the Consigned Part from the inventory.

4. **Insurance** – At all times while any Consigned Parts are in the possession or at the premises of Customer, Customer shall insure, or maintain an equivalent self-insurance or risk retention program for, such Consigned Parts for the benefit of Service Provider by covering the Consigned Parts in an amount not less than the specified value thereof provided to Customer by Service Provider in writing. In the event that Customer procures insurance, all insurance policies must be issued by companies authorized to do business in Customer's jurisdiction, in a form satisfactory to Service Provider, contain a provision prohibiting cancellation except upon at least thirty (30) Days prior notice to Service Provider, provide that all claims for loss or damage to Consigned Parts will be adjusted with and payable to Service Provider, contain a complete waiver by the insurer of subrogation against Service Provider and be primary and non-contributory with respect to other insurance carried by Service Provider. Upon request, Customer shall provide to Service Provider certificates evidencing such insurance and waiver or the maintenance of an equivalent self-insurance or risk retention program prior to shipment of the Consigned Parts by Service Provider.

5. **Risk of Loss of Consigned Parts** – Customer shall be responsible for and bear risk of loss and damage for Consigned Parts, unless otherwise indicated within this Agreement. Customer shall indemnify Service Provider against any loss or shrinkage in the quantity or change in condition

of the Consigned Parts while at the Consignment Location. Customer shall compensate Service Provider for any Consigned Parts lost or damaged in an amount equal to Service Provider's then-current sales price.

6. Disposition of Consigned Parts After Expiration or Termination of the Agreement

- a) Upon the expiration or termination of this Agreement, Customer, at the request of Service Provider, shall permit all Consigned Parts as of the effective date of such expiration or termination to remain in storage at the Consignment Location for up to ninety (90) Days to allow Service Provider to provide instructions on the return of the Consigned Parts. Customer shall pack and appropriately label all parts in preparation for shipment to Service Provider. Packaging materials must conform to industry accepted "good practice." Transportation cost for the return of the Consigned Parts to Service Provider will be borne by Customer.
- b) At Customer's election upon the termination or expiration of this Agreement, Customer may purchase any or all of the Consigned Parts at Service Provider's then-current sales price for the part(s).

EXHIBIT D
HOURLY RATE SCALE

THIS EXHIBIT D IS A TRADE SECRET OF SERVICE PROVIDER AND IS PROPRIETARY AND CONFIDENTIAL TO SERVICE PROVIDER.

San Diego Fire										
Number of Helicopters	1									
Customer Program Fleet Size	1									
Hours Per Helicopter Per Year	200									
Contract First Year:	2020									
Contract Term (Years)	10									
	Aircraft S-70i									
	Configuration Light Sar Utility									
	Location: Canada and the USA									
	Environmental Factor Desert									
TAP Transportation	No	Overhaul / Retirement Limited Items Included up to (hours)								5,100
Engine	No	Calendar Limited Items Included up to (years)								10
RIPS	No	Engine Cycles Per Hour								1.1
Air Conditioning	No	Landing Cycles per hour								2
Float Installation	No									
Life Rafts	Yes									
5th MFD	No									
FLIR Wescam	No									
Hoist	No									
	Escalation									
	4%	4%	4%	4%	4%	4%	4%	4%	4%	4%
Hours Per Aircraft Per Year	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
100	\$4,632	\$4,817	\$5,010	\$5,210	\$5,419	\$5,635	\$5,861	\$6,095	\$6,339	\$6,593
150	\$3,656	\$3,802	\$3,954	\$4,112	\$4,277	\$4,448	\$4,626	\$4,811	\$5,003	\$5,204
200	\$2,680	\$2,787	\$2,899	\$3,015	\$3,135	\$3,261	\$3,391	\$3,527	\$3,668	\$3,815
250	\$2,566	\$2,669	\$2,776	\$2,887	\$3,002	\$3,122	\$3,247	\$3,377	\$3,512	\$3,653
300	\$2,453	\$2,551	\$2,653	\$2,759	\$2,869	\$2,984	\$3,103	\$3,228	\$3,357	\$3,491
350	\$2,394	\$2,490	\$2,590	\$2,693	\$2,801	\$2,913	\$3,029	\$3,151	\$3,277	\$3,408
400	\$2,335	\$2,428	\$2,525	\$2,626	\$2,731	\$2,841	\$2,954	\$3,072	\$3,195	\$3,323
450	\$2,292	\$2,384	\$2,479	\$2,578	\$2,681	\$2,788	\$2,900	\$3,016	\$3,137	\$3,262
500	\$2,248	\$2,338	\$2,432	\$2,529	\$2,630	\$2,735	\$2,845	\$2,958	\$3,077	\$3,200
600	\$2,194	\$2,282	\$2,373	\$2,468	\$2,566	\$2,669	\$2,776	\$2,887	\$3,002	\$3,122
700	\$2,165	\$2,251	\$2,341	\$2,435	\$2,532	\$2,634	\$2,739	\$2,848	\$2,962	\$3,081
800	\$2,148	\$2,234	\$2,323	\$2,416	\$2,513	\$2,613	\$2,718	\$2,826	\$2,940	\$3,057
900	\$2,137	\$2,223	\$2,312	\$2,404	\$2,501	\$2,601	\$2,705	\$2,813	\$2,925	\$3,042
1000	\$2,130	\$2,215	\$2,304	\$2,396	\$2,492	\$2,592	\$2,695	\$2,803	\$2,915	\$3,032
1100	\$2,113	\$2,198	\$2,286	\$2,377	\$2,472	\$2,571	\$2,674	\$2,781	\$2,892	\$3,008
1200	\$2,106	\$2,190	\$2,278	\$2,369	\$2,464	\$2,562	\$2,665	\$2,772	\$2,882	\$2,998
1300	\$2,095	\$2,178	\$2,266	\$2,356	\$2,450	\$2,548	\$2,650	\$2,756	\$2,867	\$2,981
1400	\$2,084	\$2,168	\$2,254	\$2,344	\$2,438	\$2,536	\$2,637	\$2,743	\$2,852	\$2,966
1500	\$2,077	\$2,160	\$2,246	\$2,336	\$2,430	\$2,527	\$2,628	\$2,733	\$2,842	\$2,956

EXHIBIT E
PUBLICATIONS

Item	Document Number Reference	Publication Title
1	TM 1-S70i-280-10	OPERATOR'S MANUAL FOR SIKORSKY S-70i HELICOPTER
2	TM 1-S70i-280-MTF	MAINTENANCE TEST FLIGHT MANUAL, SIKORSKY MODEL S-70i HELICOPTER
3	TM 1-S70i-280-CL	OPERATOR'S AND CREWMEMBER'S CHECKLIST, S-70i HELICOPTER
4	TM 1-S70i-280-23-1 through 23-11	ORGANIZATIONAL AND BENCH MAINTENANCE, S-70i HELICOPTERS (VOLUMES 1-11)
5	TM 11-S70i-280-23	ORGANIZATIONAL AND BENCH MAINTENANCE, S-70i HELICOPTERS
6	TM 1-S70i-280-23P	AIRFRAME MAINTENANCE REPAIR PARTS AND SPECIAL TOOLS MANUAL FOR S-70i HELICOPTER
7	TM 11-S70i-280-23P	AVIONICS MAINTENANCE REPAIR PARTS AND SPECIAL TOOLS MANUAL FOR S-70i HELICOPTER
8	TM 1-S70i-280-PMD	PREVENTIVE MAINTENANCE DAILY, INSPECTION CHECKLIST FOR SIKORSKY MODEL S-70i HELICOPTER
9	TM 1-S70i-280-PMS	PREVENTIVE MAINTENANCE SERVICES, INSPECTION CHECKLIST FOR SIKORSKY MODEL S-70i HELICOPTER
10	TM 1-S70i-280-PMI	PHASED MAINTENANCE INSPECTION CHECKLIST FOR SIKORSKY MODEL S-70i HELICOPTER
11	TM-1-S70i-280-MESL	MISSION ESSENTIAL SUBSYSTEM LIST, S-70i HELICOPTERS
12	TM-1-S70i-IVHMS	USER'S MANUAL FOR INTEGRATED VEHICLE HEALTH MANAGEMENT SYSTEM (IVHMS), S70i HELICOPTERS
13	TM 1-S70i-SGBA	USER'S MANUAL FOR SIKORSKY GROUND BASED APPLICATION (SGBA) S-70i HELICOPTERS
14	TM 1-S70i-280 Series	INTERACTIVE ELECTRONIC TECHNICAL MANUAL, S-70i IETM

EXHIBIT F **CITY'S MANDATORY TERMS AND PROVISIONS**

As used in this Exhibit F, "Contractor" means Helicopter Support, Inc. d/b/a Sikorsky Commercial, Inc. and "City" means City of San Diego, on behalf of the San Diego Fire-Rescue Department.

1.1 Contractor Certification of Compliance. By signing this Agreement, Contractor certifies that Contractor is aware of, and will comply with, these City-mandated clauses throughout the duration of the Agreement.

1.1.1 Drug-Free Workplace Certification. Contractor shall comply with City's Drug-Free Workplace requirements set forth in Council Policy 100-17, which is incorporated into the Agreement by this reference.

1.1.2 Contractor Certification for Americans with Disabilities Act (ADA) and State Access Laws and Regulations: Contractor shall comply with all accessibility requirements under the ADA and under Title 24 of the California Code of Regulations (Title 24). When a conflict exists between the ADA and Title 24, Contractor shall comply with the most restrictive requirement (i.e., that which provides the most access). Contractor also shall comply with the City's ADA Compliance/City Contractors requirements as set forth in Council Policy 100-04, which is incorporated into this Agreement by reference. Contractor warrants and certifies compliance with all federal and state access laws and regulations and further certifies that any subcontract agreement for this Agreement contains language which indicates the subcontractor's agreement to abide by the provisions of the City's Council Policy and all applicable access laws and regulations.

1.1.3 Non-Discrimination Requirements.

1.1.3.1 Compliance with City's Equal Opportunity Contracting Program (EOCP). Contractor shall comply with City's EOCP Requirements, San Diego Municipal Code §22.2701 *et seq.* Contractor shall not discriminate against any employee or applicant for employment on any basis prohibited by law and shall provide equal opportunity in all employment practices. Contractor shall ensure that any subcontract agreement for this Agreement contains language which indicates the subcontractor's agreement to comply with the same. Nothing in this Section shall be interpreted to hold Contractor liable for any discriminatory practice of its subcontractors.

1.1.3.2 Non-Discrimination Ordinance. Contractor shall not discriminate on the basis of race, gender, gender expression, gender identity, religion, national origin, ethnicity, sexual orientation, age, or disability in the solicitation, selection, hiring or treatment of subcontractors, vendors or suppliers. Contractor shall provide equal opportunity for subcontractors to participate in subcontracting opportunities. Contractor understands and agrees that violation of this clause shall be considered a material breach of this Agreement and may result in Agreement termination, debarment, or other sanctions. Contractor shall ensure that substantially similar language is included in contracts between Contractor and any subcontractors, vendors and suppliers.

1.1.3.3 Compliance Investigations. Upon City's request in connection with an investigation of a discrimination complaint pursuant to San Diego Municipal Code §22.3506, Contractor agrees to provide to City, within sixty calendar days, a truthful and complete list of the names of all subcontractors, vendors, and suppliers that Contractor has used in the past five years on any of its contracts that were undertaken within San Diego County, including the total dollar amount paid by Contractor for each subcontract or supply contract; provided, however, that such disclosure will not result in Contractor violating any provision of such subcontract or supply contract. Contractor further agrees to fully cooperate in any investigation conducted by City pursuant to City's Nondiscrimination in Contracting Ordinance. Contractor understands and agrees that violation of this clause shall be considered a material breach of this Agreement and may result in Agreement termination, debarment, and other sanctions.

1.1.4 Equal Benefits Ordinance Certification. Unless an exception applies, Contractor shall comply with the Equal Benefits Ordinance (EBO) codified in the San Diego Municipal Code (SDMC). Failure to maintain equal benefits is a material breach of the Agreement.

1.1.5 Contractor Standards. Contractor shall comply with Contractor Standards provisions codified in the SDMC. Contractor understands and agrees that violation of Contractor Standards may be considered a material breach of the Agreement and may result in Agreement termination, debarment, and other sanctions.

1.1.6 Storm Water Pollution Prevention Program. If applicable, Contractor shall comply with the City's Storm Water Management and Discharge Control provisions codified in Division 3 of Chapter 4 of the SDMC, as may be amended, and any and all applicable Best Management Practice guidelines and pollution elimination requirements in performing or delivering services at City owned, leased, or managed property, or in performance of services and activities on behalf of City regardless of location.

If applicable, Contractor shall comply with the City's Jurisdictional Urban Runoff Management Plan encompassing Citywide programs and activities designed to prevent and reduce storm water pollution within City boundaries as adopted by the City Council on January 22, 2008, via Resolution No. 303351, as may be amended.

Contractor shall comply with each City facility or work site's Storm Water Pollution Prevention Plan, as applicable, and institute all controls needed while completing the services to minimize any negative impact to the storm water collection system and environment.

1.1.7 Service Worker Retention Ordinance. If applicable, Contractor shall comply with the Service Worker Retention Ordinance (SWRO) codified in the SDMC.

1.1.8 Product Endorsement. Contractor shall comply with Council Policy 000-41 concerning product endorsement which requires that any advertisement referring to City as a user of a good or service will require the prior written approval of the Mayor.

4/21

(O-2020-94) #51

ORDINANCE NUMBER O- 21186 (NEW SERIES)

DATE OF FINAL PASSAGE APR 23 2020

AN ORDINANCE OF THE COUNCIL OF THE CITY OF SAN DIEGO AUTHORIZING THE MAYOR OR HIS DESIGNEE TO EXECUTE AN AGREEMENT WITH SIKORSKY FOR HELICOPTER MAINTENANCE.

WHEREAS, in June 2019, Fire-Rescue purchased one Sikorsky S70i Firehawk helicopter (Sikorsky); and

WHEREAS, a copy of the Sikorsky purchase Agreement is on file with the City Clerk as Document No. RR-311475; and

WHEREAS, this Agreement provides maintenance, technical engineering support, consumable parts, as well as scheduled component replacement for the Sikorsky; and

WHEREAS, under Charter section 99, no contract, agreement or obligation extending for a period of more than five years may be authorized except by Ordinance approved by two-thirds majority vote of the City Council; NOW, THEREFORE,

BE IT ORDAINED, by the Council of the City of San Diego, as follows:

Section 1. That the Mayor or his designee is authorized to execute the Agreement with Sikorsky for the purposes of providing helicopter maintenance in an amount not to exceed \$7,500,000.

Section 2. That the Chief Financial Officer is hereby authorized to expend an amount not to exceed \$7,500,000 over the ten-year term of the Agreement, contingent upon the Chief Financial Officer first furnishing one or more certificates that funds necessary for expenditure are, or will be, on deposit with the City Treasurer.

Section 3. That a full reading of this Ordinance is dispensed with prior to passage, a written copy having been made available to the Council and the public prior to the day of its passage.

Section 4. That this Ordinance shall take effect and be in force on the thirtieth day from and after its final passage.

APPROVED: MARA W. ELLIOTT, City Attorney

By /s/ Lara E. Easton
Lara E. Easton
Deputy City Attorney

LEE:jdf
03/18/2020
Or.Dept: Fire-Rescue
Doc. No.: 2302053

I hereby certify that the foregoing Ordinance was passed by the Council of the City of San Diego, at this meeting of 04/21/2020.

ELIZABETH S. MALAND
City Clerk

By /s/ Matthew Hilario
Deputy City Clerk

Approved: 4/22/2020
(date)


KEVIN L. FAULCONER, Mayor

Vetoed: _____
(date)

KEVIN L. FAULCONER, Mayor

Passed by the Council of The City of San Diego on APR 21 2020, by the following vote:

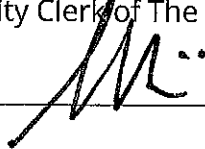
Councilmembers	Yeas	Nays	Not Present	Recused
Barbara Bry	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Jennifer Campbell	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Chris Ward	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Monica Montgomery	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Mark Kersey	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Chris Cate	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Scott Sherman	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Vivian Moreno	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Georgette Gómez	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Date of final passage APR 23 2020.

AUTHENTICATED BY:

KEVIN L. FAULCONER
Mayor of The City of San Diego, California.

(Seal)

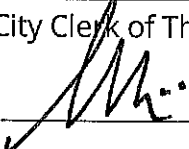
ELIZABETH S. MALAND
City Clerk of The City of San Diego, California.
By , Deputy

I HEREBY CERTIFY that the foregoing ordinance was not finally passed until twelve calendar days had elapsed between the day of its introduction and the day of its final passage, to wit, on

APR 07 2020, and on APR 23 2020.

I FURTHER CERTIFY that said ordinance was read in full prior to passage or that such reading was dispensed with by a vote of five members of the Council, and that a written copy of the ordinance was made available to each member of the Council and the public prior to the day of its passage.

(Seal)

ELIZABETH S. MALAND
City Clerk of The City of San Diego, California.
By , Deputy

Office of the City Clerk, San Diego, California
Ordinance Number O- 21186

Passed by the Council of The City of San Diego on April 21, 2020, by the following vote:

YEAS: **BRY, CAMPBELL, WARD, MONTGOMERY, KERSEY, CATE, SHERMAN,
MORENO & GÓMEZ.**

NAYS: **NONE.**

NOT PRESENT: **NONE.**

RECUSED: **NONE.**

AUTHENTICATED BY:

KEVIN L. FAULCONER

Mayor of The City of San Diego, California

ELIZABETH S. MALAND

City Clerk of The City of San Diego, California

(Seal)

By: **Stacy D. Ready**, Deputy

I HEREBY CERTIFY that the above and foregoing is a full, true, and correct copy of ORDINANCE NO. **O-21186** (New Series) of The City of San Diego, California.

I FURTHER CERTIFY that said ordinance was not finally passed until twelve calendar days had elapsed between the day of its introduction and the day of its final passage, to wit, on **April 7, 2020**, and on **April 23, 2020**.

I FURTHER CERTIFY that said ordinance was read in full prior to passage or that such reading was dispensed with by a vote of five members of the Council, and that a written copy of the ordinance was made available to each member of the Council and the public prior to the day of its passage.

ELIZABETH S. MALAND

City Clerk of The City of San Diego, California

(SEAL)

By: , Deputy