



AMENDMENT TO *Support By the Hour* AGREEMENT

This amendment to the *Support By the Hour* Agreement dated as of the Nov. 30th 2007, is by and between Safran Helicopter Engines USA, Inc., a Delaware Corporation ("SafranHE USA") and City of Fresno a California municipal corporation ("Customer"). SafranHE USA and Customer are parties to a Support By the Hour (SBH) Maintenance Contract, Agreement NO.C260307PPL.

All Capitalized terms used herein and not otherwise defined shall have the meanings ascribed to them in the Agreement.

Effective Date: January 1st, 2023, the parties agree to amend the Agreement as follows:

Article 3 – Duration

The term of this agreement shall commence as of the date hereof, set forth in the initial paragraph of this amendment (the "effective date") and shall remain in effect for three (3) years until Dec. 31st 2025 unless terminated earlier in written accordance with terms of the Agreement. The Agreement will be subject to additional one (1) year extensions at the agreement of both parties.

Article 10– Insurance

10.5.1. CUSTOMER shall take out and maintain in force at least the following insurances and amounts:

- Workers' Compensation and Employers Liability insurance
For all its employees engaged in performing obligations under this Agreement, workers' compensation and employers' liability insurance or similar insurance in accordance with applicable law, which may be applicable to those employees.
- Aircraft Third Party Liability Insurance
City of Fresno Police Department Air Support Unit shall maintain comprehensive aircraft third party liability insurance for an amount of not less than one million US dollars (1,000,000.00 USD) per aircrafts operated by City of Fresno Police Department Air Support Unit for any one occurrence and aggregate per year.
- Hangar Keeper's Liability Insurance or Property on Care or Custody Insurance
City of Fresno Police Department Air Support Unit shall effect and maintain Hangar Keeper's Liability Insurance or Property on Care or Custody Insurance. The amount of such insurance cover shall at least be equal to the full replacement value of all SafranHE USA Owned Equipment under the custody and care of City of Fresno Police Department Air Support Unit.
SafranHE USA and its affiliates must be added as additional insured and shall receive at least thirty (30) Days' prior notice in the event of cancellation or modification to the policy limits. The policies shall be primary in the event of loss and a provision must be made indicating that where there is more than one insured the policy shall respond as if each were separately insured.

10.5.2. Upon request by SafranHE USA, City of Fresno Police Department Air Support Unit shall provide certificates of insurance as per the above Articles.

10.5.3. The Parties further agree that the minimum insurance requirements as set forth above shall not limit or waive a Party's legal or contractual responsibilities to the other Party or others.



10.5.4 Insurance obligations in case of Leasing

- 1) **Insurance in Transit.** City of Fresno Police Department Air Support Unit agrees to provide and maintain ALL RISK PHYSICAL DAMAGE INSURANCE in the amount of full replacement value for all SafranHE USA Owned Equipment or supplies while in the custody of City of Fresno Police Department Air Support Unit or in transit to SafranHE USA. Such insurance is to take effect at the time and place of shipment to SafranHE USA and shall remain in effect until delivery of said property to SafranHE USA.
- 2) **Insurance In Use.** City of Fresno Police Department Air Support Unit further agrees that during such time any SafranHE USA Owned Equipment or supplies are installed in City of Fresno Police Department Air Support Unit's aircraft, City of Fresno Police Department Air Support Unit shall maintain the following:
 - (a) **ALL RISK GROUND AND FLIGHT HULL INSURANCE** thereon in an amount sufficient so that SafranHE USA will recover fully the amount of any loss of said Equipment or supplies; and
 - (b) City of Fresno Police Department Air Support Unit shall also maintain at all times Aircraft and **BODILY INJURY AND PROPERTY DAMAGE INSURANCE**, including Passengers, in an amount of at least five million US Dollars (5,000,000.00 USD) for CUSTOMER operating up to five (5) aircrafts Combined Single Limit.

Article 17 – Confidentiality

Data Protection. The Parties, as non-joint controller, exchange contact details of the persons in charge of the management of their business relationship and of the monitoring of the services. Both Parties undertake to comply with the national and European regulations regarding data protection and in particular to only use personal data for the purpose of performing the Services, to implement all the necessary measures of security and confidentiality in order to protect this type of data, to ensure the compliance of potential transfer outside the European Union, to delete said data at the expiry of the retention period agreed between the Parties or any deadline provided by law and to reply to any request from data subjects. Furthermore, each Party undertakes to give notification to the other Party in case of any security breach that may have consequences on the data processing.

Article 11– Pricing conditions**APPENDIX E - HOURLY RATE APPLICABLE TO THIS AGREEMENT**

The hourly rate applicable in year 2023 at 2023 economic conditions, is set at \$246.44 USD (Two hundred and forty six dollars and forty four cents), VAT not included, per Operating Hour.

The cycle rate applicable in year 2023 at 2023 economic conditions, is set at \$11.41 USD (Eleven dollars and forty one cents), VAT not included, per Operating Hour



Pursuant to article 11 of the Agreement, the above rate(s) shall be escalated as follow:

- Capped Escalation formula:

$$P_n = P_{n-1} \times (1 + Rn\%)$$

P_n = Applicable price for year n

R_n = Formula result, which represents the yearly prices escalation, before application of minimum/maximum level (as described hereunder), from year N-1 to year N, based on cost environment and expressed in percentage.

R_n = yearly prices escalation based on Formula, after application of minimum/maximum level, applicable from year N-1 to year N and expressed in percentage.

Indexes of reference (n-3): Indexes computed as an average of the values of the 12 months from January n-3 to December n-3

Indexes of revision (n-2): Indexes computed as an average of the values of the 12 months from January n-2 to December n-2

$$K_n = \left[0,6 \frac{Sw^{rev} n-2}{Sw^{rev} n-3} + 0,15 \frac{Ai2^{rev2} n-2}{Ai2^{rev2} n-3} + 0,05 \frac{AluB^{rev3} n-2}{AluB^{rev3} n-3} + 0,05 \frac{NITI (Titane) n-2}{NITI (Titane) n-3} + 0,1 \frac{Ni^{rev2} n-2}{Ni^{rev2} n-3} + 0,05 \frac{PsdG2 n-2}{PsdG2 n-3} \right] - 1$$

Indexes identification for Euros		
Index	Identification	Website
Sw"rev"	1565183	https://www.insee.fr/fr/statistiques/serie/001565183
Ai2"rev2"	10536479	https://www.insee.fr/fr/statistiques/serie/010536479
AluB "rev3"	10534657	https://www.insee.fr/fr/statistiques/serie/010534657
NITI (Titane)	Indice DGA	https://armement.defense.gouv.fr/achats-darmement/reviser-les-prix-indices-icare
Ni"rev2"	10534660	https://www.insee.fr/fr/statistiques/serie/010534660
PsdG2	Indice DGA	https://armement.defense.gouv.fr/achats-darmement/reviser-les-prix-indices-icare

Application of minimum/maximum levels as follows:

Parties agree that escalation shall be in the window between a minimum of three percent (3%) and a maximum of five percent (5%). Should the formula result (K_n) be below or above these caps, the differential will be shared equally (50%/50%) between the Parties.

Should the result of the escalation formula be lower than zero, then zero (0) shall apply to calculate the share. i.e: no escalation below one point five percent (1.5%) is applicable.



HELICOPTER ENGINES

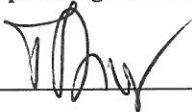
Kn (%)	Rn (%)
$Kn < 3$	$3 - (3 - Kn) / 2$
$3 \leq Kn \leq 5$	Kn
$Kn > 5$	$5 + (Kn - 5) / 2$

All other terms and conditions of the Agreement apply.

AGREED TO:
City of Fresno Police Department
Air Support Unit

Signature: _____
Printed: _____
Title: _____
Date: _____

Safran Helicopter Engines USA, Inc.

Signature:  _____
Printed: **Thierry Derrien**
Title: **President and CEO**
Date: 3/14/2023

Attest:
Todd Stermer, CMC
City Clerk

By: _____
Deputy

Approved as to form:
Andrew Janz
City Attorney

By: _____
Deputy City Attorney