

CITY OF FRESNO POLICE DEPARTMENT

**SUPPORT BY THE HOUR AGREEMENT
COMPLETE ENGINE MAINTENANCE
LEASING
FOR SAFRAN HELICOPTER ENGINES GAS
TURBINE
ARRIEL 2D, ARRIUS 2F ENGINES**

C/2024/001814/SBH.A.2

This *Support By the Hour* Agreement (the "Agreement") is made by and between:

Safran Helicopter Engines USA, Inc (SafranHE USA), a company incorporated under the Laws of United States of America with registration number 75-1711969 and whose registered office is at 2709 Forum Drive, Grand Prairie, Texas 75052, United States of America, and represented by Mr. Thierry DERRIEN acting as President & Chief Executive Officer and

City of Fresno, a California municipal corporation, by and through its Fresno Police Department, (City of Fresno Police Department) whose registered office is at 4941 E. Anderson Suite B-101, Fresno California 93727, United States of America and represented by Mindy Casto, Police Chief.

Hereinafter collectively referred to as "the Parties" or individually as "the Party".

WHEREAS, SafranHE USA is engaged in the business of providing services of maintenance of aeronautical engines; and

WHEREAS, City of Fresno Police Department desires to limit major engine maintenance expenses and SafranHE USA desires to provide the opportunity to City of Fresno Police Department to limit major engine maintenance expenses through the assessment of monthly charges based on a fixed rate for each hour of equipment operation.

NOW, THEREFORE, in consideration of the mutual covenants and undertakings contained herein, and subject to and on the terms and conditions set forth in this Agreement; the Parties agree as follows:

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ARTICLE 1 – DEFINITIONS

"ACCESSORY" means any Engine accessory or item of Equipment as defined in Appendix B.

"AFFILIATE" means any person (natural or legal entity) who directly or indirectly, controls, is controlled by or is under the same control as Safran Helicopter Engines.

"AGREEMENT" means the present Support by the Hour agreement, including its appendices and any amendment thereof.

"AIRCRAFT" means the aircraft that Covered Equipment is installed in, as identified in Appendix A.

"AIRCRAFT ON GROUND" or "AOG" is a situation where the Covered Equipment is unable to remain in service or is ineligible for return to service.

"BUY IN FEE" means the fee which corresponds to the Operating Hours and Cycles already consumed, prior to the signature of the Agreement and/or any amendment thereof, and which has been or shall be invoiced to City of Fresno Police Department by SafranHE USA as per the Article 11.4 of this Agreement.

"CHANGE IN CONTROL" means control of an entity shall exist through the direct or indirect: control of fifty percent (50%) or more of the nominal value of the issued equity share capital of the entity or of fifty percent (50%) or more of the equity's shares entitling the holders to vote for the election of directors or persons performing similar functions, or right by any other means to elect or appoint directors of the entity (or persons performing similar functions) who have a majority vote.

"CIP" means carriage and insurance paid to a named location, as per ICC Incoterms 2020 issue.

"COMPLETE ENGINE" means all of the modules as an assembly including Hydro Mechanical Unit ("HMU") or Fuel Control Unit ("FCU") and does not include the Engine Electronic Control Unit ("EECU") / Digital Electronic Control ("DECU").

"COMPLETE ENGINE MAINTENANCE" means that in the event City of Fresno Police Department's Engine requires removal for scheduled or unscheduled maintenance, SafranHE USA (directly or through one of its Affiliates) shall supply City of Fresno Police Department with a Complete Engine as a Replacement Equipment.

"CONFIDENTIAL INFORMATION" means any and all information disclosed by one Party to another Party, in whatever form and whether disclosed in writing, orally, by electronic means or otherwise provided always that where such Information is disclosed orally, it shall be identified as confidential at the time of disclosure and, within thirty (30) Days thereafter, shall be reduced to writing and communicated to the recipient Party.

"CONSUMABLES" means all expendable material, non-repairable components such as, but not limited to, nuts, bolts, sheet metal work, or low-cost parts such as, but not limited to, packing, gaskets, seals filters, etc.

"CORE UNIT" means Equipment that must be returned to SafranHE USA. This Equipment can be the City of Fresno Police Department's Equipment which is sent for Repair, the Equipment loaned by SafranHE USA or the Repairable Accessory in exchange for the one provided by SafranHE USA as Standard Exchange Equipment.

"COVERED EQUIPMENT" means the Equipment specified in Appendix A hereto and other Equipment included as Covered Equipment in accordance with Article 2.3 hereof.

"CUSTOMER PORTAL" means Safran Helicopter Engines' website (<https://tools.safran-helicopter-engines.com/pg/en/home>).

"CYCLE" means an operational gas generator cycle as reported in the Equipment log book/ log card, in accordance with the Reference Documents. Cycles are recognized since the last general Overhaul (CSO) and since new (CSN).

"D.A.P." means delivery at place, to a named location as per ICC Incoterms 2020 issue.

"DATA" means any raw data on any medium, collected by a Data Collection System or reported by City of Fresno Police Department excluding Personal Data.

"DATA COLLECTION SYSTEM" means an embedded system permitted the acquisition of Data.

"DAY" means calendar day except where expressly specified as business day.

"DESIGNATED CENTER" means any service, support or maintenance facility designated by SafranHE USA to City of Fresno Police Department where Services may be performed.

"EFFECTIVE DATE" means the date of signature of this Agreement by all Parties.

"EQUIPMENT" means according to context, an Engine, a Module, an Accessory or any component thereof which is covered by this Agreement as defined in Appendix A and Appendix B hereto, as applicable.

"ENGINE" means a Safran Helicopter Engines gas turbine engine or any other Safran Helicopter Engines branded engine, including its Modules and Accessories, as defined in Appendix A attached hereto.

"EXCLUDED EVENTS" means the supplies and services excluded as specified in Appendix D of this Agreement.

"FCA" means free carrier alongside to a named location as per ICC Incoterms 2020 issue.

"FOREIGN OBJECT DAMAGE (FOD)" means damage to the Engine resulting from the ingestion of any foreign object.

"LEASING EQUIPMENT" means Engine or Module owned by SafranHE USA and provided to City of Fresno Police Department during the Turn Around Time of Repair or Overhaul. The Engine or Module shall remain SafranHE USA's property during the entire rental period. As soon as City of Fresno Police Department's Engine or Module is Repaired/Overhauled, the leasing Engine or Module supplied to City of Fresno Police Department shall be returned to SafranHE USA or Designated Center.

"LEVEL 1 MAINTENANCE" means any maintenance tasks that can be performed on Aircraft and Engine removed from the Aircraft for accessibility reason (excluding tasks that require the removal/installation of a Module) in accordance with the applicable Reference Documents.

"LEVEL 2 MAINTENANCE" means any maintenance tasks requiring removal/installation of a Module in accordance with the applicable Reference Documents.

"LEVEL 3 MAINTENANCE" means deep maintenance of the Equipment while removed from the Aircraft in accordance with the applicable Reference Documents.

"LEVEL 4 MAINTENANCE" means the Overhaul or the Repair of the Equipment or any part thereof performed at SafranHE's facility in accordance with the applicable Reference Documents.

"LIFE-LIMITED PART" means a part which must be changed after its service life has expired.

"LRU" means any engine line replacement unit or item of Equipment as defined in Appendix B hereto.

"MANDATORY BULLETINS" means modifications required by a mandatory service bulletin from Safran Helicopter Engines, modifications required by Safran Helicopter Engines suppliers or required by the applicable NAA. In any case, Mandatory Modifications are limited to the Equipment covered by this Agreement.

"MODULE" means a sub-assembly of the Engine as described in the Engine maintenance manual.

"MODULAR MAINTENANCE" means maintenance performed on Equipment while removed from the Aircraft and in accordance with the applicable Reference Documents.

"NATIONAL AVIATION AUTHORITY" or "NAA" means the aviation authority having jurisdiction over the Engines, such as the Federal Aviation Administration, or the European Aviation Safety Agency, or such other equivalent national aviation authority for that particular City of Fresno Police Department.

"OEM" means original equipment manufacturer.

"ON CONDITION EQUIPMENT" means Equipment which is not subject to TBO.

"OPERATING HOUR" means an hour of operation of the Equipment as quoted in the Engine log book and/or Module log card and calculated according to the Reference Documents. Operating Hours are recorded since the last Overhaul (TSO) or since new (TSN) when the Engine/Module has not been previously Overhauled.

"OVERHAUL" whether scheduled or unscheduled, means the work required to enable the Equipment to begin a new TBO period.

"PREMIUM HEALTH MONITORING" or "HM Service" means the collection and analysis of the Engine parameters in order to provide City of Fresno Police Department with predictive maintenance actions and technical recommendations as per Article 5 of this Agreement.

"PERSONAL DATA" means any information relating to a physical person which can be identified, directly or indirectly, by reference to an identification number or to one or more elements to it.

"REFERENCE DOCUMENTS" means the following Safran Helicopter Engines documents, and any amendments thereto collectively, "Reference Documents":

- 1) Engine maintenance manual (field or modular maintenance),
- 2) Repair Manual
- 3) Service letters,
- 4) Safran Helicopter Engines service bulletins,
- 5) Maintenance tools catalog; and
- 6) Maintenance spare parts catalog.

"REPAIR" shall mean the work defined in the Reference Documents which will enable the Equipment to return to service.

"REPLACEMENT EQUIPMENT" means, if included as part of the Service in Article 5.1, Equipment that is used for replacement of Covered Equipment under a Lease agreement or Standard Exchange solution.

"SAFRAN HELICOPTER ENGINES" means Safran Helicopter Engines S.A.S, a French company, having its registered office in Bordes 64510, France, and being the Engine's OEM.

"SafranHE USA OWNED EQUIPMENT" means Equipment owned by SafranHE USA or one of its Affiliates.

"SCHEDULED REMOVAL" means the removal of Equipment performed in accordance with the time intervals specified in the Safran Helicopter Engines maintenance manual.

"SERVICEABLE EQUIPMENT" means Equipment in airworthy condition as defined by the Reference Documents and the National Aviation Authority.

"SERVICES" means the services provided by SafranHE USA under this Agreement as specified in Article 5 thereof.

"SPARE PART" means spare parts to be used for field and/or modular maintenance procedures. Spare Parts are identified in the spare parts catalog issued by Safran Helicopter Engines.

"STANDARD EXCHANGE" means replacement of malfunctioning Covered Equipment with serviceable, Repaired/Overhauled Equipment in working condition delivered from SafranHE USA stock irrespective of the previous operator, place of operation, reason for its being handed in, operating hours/cycles available, or modification standard. The Standard Exchange Engine supplied shall have a remaining potential at least equal to five hundred (500) hours. In case of termination, expiration of this Agreement or Engine removal, standard exchange means replacement of serviceable Covered Equipment with an Overhauled Engine or repaired Equipment as per article 14.3.1 of this Agreement.

"TBO" means time between Overhaul as defined in the Reference Documents.

"**TECHNICAL INFORMATION**" means all information of a scientific or technical nature, in any oral, written or electronic form, including without limitation, all technical data, assessments, reports, advice and recommendations provided by SafranHE USA to City of Fresno Police Department in the course of the performance of the Services pursuant to this Agreement and any order made hereunder.

"**TOOLS**" means the tools identified in the Reference Documents.

"**TURN AROUND TIME**" means the lead time necessary for SafranHE USA to perform Repair or Overhaul. The Turn Around Time shall be calculated from the receipt of City of Fresno Police Department's Equipment at the Designated Center until City of Fresno Police Department's Equipment is ready to leave the said Designated Center in accordance with the applicable Incoterms.

"**UNSCHEDULED REMOVAL**" means the removal of Equipment performed outside the time intervals or limit intervals as specified in the Reference Documents.

"**USAGE REPORT**" means a dematerialized chart that enables City of Fresno Police Department to enter monthly Covered Equipment's operation through Customer Portal.

Note: Words used in the singular shall include plural and vice versa unless contrary intention should appear.

ARTICLE 2 – PURPOSE AND SCOPE OF THE AGREEMENT

- 2.1. **Purpose.** The purpose of this Agreement is to specify the conditions under which SafranHE USA shall provide to City of Fresno Police Department, and City of Fresno Police Department shall obtain from SafranHE USA, Services for Covered Equipment, as defined in Article I, at agreed upon rates and charges set forth in Article 11.
- 2.2. **Scope.** This Agreement only applies to the services listed in Article 5 herein (the "Services") and shall cover such Services for the Covered Equipment defined in Appendix A attached hereto.
- 2.3. **Covered Equipment.** This Agreement applies only to the Covered Equipment listed in Appendix A. The inclusion as Covered Equipment of any Equipment not listed in Appendix A must be made in writing and signed by SafranHE USA and City of Fresno Police Department.

ARTICLE 3 – DURATION

- 3.1 **Initial Term.** The term of this Agreement shall become effective as of the date of signature by both Parties ("Effective Date") and shall remain in effect until June, 06th of 2030 ("Expiration Date"), unless previously terminated in accordance with the provision set forth in Article 14 herein or unless extended on agreeable terms via a written amendment.

ARTICLE 4 – CONDITIONS TO QUALIFY FOR THIS AGREEMENT

- 4.1. **Similar Equipment.** As a condition to this Agreement, City of Fresno Police Department shall enroll under this Agreement any and all Equipment owned or operated by City of Fresno Police Department that are the same or of similar type to any of the Covered Equipment.
- 4.2. **Condition of Covered Equipment.** City of Fresno Police Department agrees that all Equipment entering into this Agreement as Covered Equipment shall be in Serviceable Equipment.
- 4.3. **Non-Zero Time Equipment.** Subject to Article 11.4 of this Agreement, City of Fresno Police Department's non-zero time Equipment may be included as Covered Equipment after qualification and approval by SafranHE USA. Qualification may consist of a power assurance check and inspection of the Equipment by a SafranHE USA representative (at City of Fresno Police Department's primary facility) to determine the current condition of the Equipment, the results of which must be acceptable to SafranHE USA. If deemed necessary by SafranHE USA, all Equipment records must also be made available for review at Designated Center and must be acceptable to SafranHE USA after review and prior to coverage.

ARTICLE 5 – OBLIGATIONS OF SAFRANHE USA AND COVERED SERVICES

5.1. **Covered Services.** SafranHE USA shall provide to City of Fresno Police Department under the terms and conditions of this Agreement the following Services:

- ✓ Leasing of Engines for Unscheduled Removals requiring Level 3 or 4 maintenance.
- ✓ Repair of Engines for Unscheduled Removals requiring Level 3 or 4 maintenance.
- ✓ Leasing of Engines for Scheduled Removals.
- ✓ Overhaul of Engines for Scheduled Removals.
- ✓ Replacement of Life-Limited Parts.
- ✓ Modular Engine Maintenance.

The following Services are also covered under this Agreement:

- ✓ Consumables and non-repairable Accessories as per the Reference Documents and as detailed in Appendix C.
- ✓ Standard Exchange of Repairable Accessories listed in Appendix B.
- ✓ Standard Exchange of Accessories with TBO as per Appendix B.
- ✓ Premium Health Monitoring.
- ✓ Use of Special Tooling
- ✓ Spectrometric Oil analysis / test analysis
- ✓ Transportation costs for shipment of Engine, modules or parts to customer

5.2. **Mandatory Bulletins** are included in the scope of this Agreement.

5.3. **Training.** SafranHE USA grants City of Fresno Police Department X(number) training seats per year for the duration of the Agreement, number of seats is awarded according to the engine fleet size as per Appendix A. Courses shall be provided in the Safran Helicopter Engines training network within list of courses provided upon request by SafranHE USA depending on seat availability and upon enrolment form. Transport and accommodation costs are not included. Right for a seat shall be valid for each calendar year (January to December) of this Agreement. At the end of the calendar year, remaining seat rights (if any) cannot be cumulated with those granted for the following year.

5.4. SafranHE USA may decide to perform maintenance at the City of Fresno Police Department's primary facility which is not of City of Fresno Police Department's responsibility under this Agreement as described in the maintenance manual to avoid the exchange or return of Covered Equipment to SafranHE USA. In the event SafranHE USA elects to perform maintenance at City of Fresno Police Department's facility, SafranHE USA shall bear all related expenses for technician's labor and travel.

5.5. **Premature Wear or Failure.** In the event of a breakdown or deterioration of the Covered Equipment due to defects in design, material, or workmanship in the manufacture, Repair or Overhaul of the Covered Equipment ("Premature Wear or Failure"), SafranHE USA will replace or Repair the Covered Equipment, provided, however, that the choice between replacement or Repair of Covered Equipment shall be made at the sole discretion of SafranHE USA and in accordance with the manufacturer's criteria and specifications.

5.6. SafranHE USA shall have sole discretion in determining the type or the extent of the Service necessary to render the Covered Equipment back to a condition of Serviceable Equipment including choosing whether to Repair, Overhaul or replace such Covered Equipment. In such case, SafranHE USA reserves the right to use new or Serviceable Equipment used replacement parts for such work. Any replacement or Repair shall remain subject to the provisions in Article 11 below.

5.7. **SafranHE USA's Right to Replace Parts.** SafranHE USA reserves the right, at its sole discretion, to use new or serviceable used replacement parts in the course of Repair or Overhaul performed pursuant to this Agreement.

5.8. **List Of Applicable Publications.** Safran HE shall provide free access to the latest revisions of the Reference Documents through the Customer Portal.

5.9. Update of Covered Equipment documentation. SafranHE USA shall update the Equipment log book/log card, if required and as required, after a Repair and Overhaul event is performed by SafranHE USA.

- 5.10. **24/7 Field Representative assistance** is included in the scope of this Agreement.
- 5.11. **24 hour help line access for troubleshooting** is included in the scope of this Agreement.
- 5.12. **Quality Assurance and Monitoring.** Services supplied and/or carried out by SafranHE USA shall be in accordance with all applicable law and "EN9100/9110-2000" Standards and under EASA (Part 21G-Part 145) or any other applicable National Aviation Authority certification as previously delivered to SafranHE USA. Without prejudice to SafranHE USA's obligations under this Agreement, all monitoring and acceptance testing are consequently delegated to this organization, in accordance with the applicable NAA regulations.
- 5.13. **Complete Engine Maintenance under leasing.** In the event City of Fresno Police Department's engine requires removal covered as per Article 5, SafranHE USA shall supply City of Fresno Police Department with a Complete Engine under leasing to operate until City of Fresno Police Department's Engine is repaired or overhauled. SafranHE USA shall provide the Complete Engine for City of Fresno Police Department's use at the current rate in effect as described in Article 11.1 of this Agreement. City of Fresno Police Department shall be required to execute a Lease Agreement as attached hereto in Appendix L and comply with all insurance requirements prior to the shipment of the Engine. A Complete Engine will not be provided in the event an FCU/HMU requires replacement unless Repair and/or Overhaul of the Complete Engine are required to return the FCU/HMU back to service.
- 5.14. **HM Service.** The HM Service shall apply for Engines, as per Appendix A, installed in Aircraft equipped with a Data Collection System approved by SafranHE USA and after a technical study by Safran Helicopter Engines confirming that the Data are well collected, transmitted and interpretable. Safran Helicopter Engines needs to have access to the data collected by the Data Collection System installed on the Aircraft in order to implement the HM service. For that purpose, City of Fresno Police Department shall sign the authorization for data gathering through its Data Collection System or flight data recorder as per Appendix M and Appendix N. SafranHE USA shall provide notifications and customized reports containing preventative maintenance within the Customer Portal as well as the possibility to contact a SafranHE USA expert. These recommendations are not mandatory for the City of Fresno Police Department and do not replace the fleet maintenance management by the City of Fresno Police Department of its Engines as per Reference Documents and flight manual. City of Fresno Police Department, at its own discretion, may follow or not the indicators and recommendations provided by the HM Service. City of Fresno Police Department shall hold SafranHE USA harmless in this regard.
- 5.15. **Not covered Services.** The supplies and services listed in Appendix D are excluded from the scope of this Agreement.

ARTICLE 6 – CITY OF FRESNO POLICE DEPARTMENT'S OBLIGATIONS

- 6.1. **Scheduled Removal.** City of Fresno Police Department is entitled to remove Serviceable Equipment for a Scheduled Removal when the Equipment reaches the end of its TBO period or is within fifty (50) hours or less from such TBO period. City of Fresno Police Department is entitled to remove Serviceable Equipment for a Scheduled Removal when the Equipment reaches the end of its calendar period. City of Fresno Police Department is entitled to remove Serviceable Equipment for a Scheduled Removal when the Life Limited Part reaches the end of its initial life limit or is within three percent (3%) thereof.

City of Fresno Police Department shall make a request for Leasing Equipment at the latest two (2) months before the estimated Scheduled Removal date by filling out the Covered Equipment removal report form as per specimen attached in Appendix K. City of Fresno Police Department shall also place an order as per Article 7 below within the same above timeframe.

- 6.2. **Unscheduled Removals.** In the event of an Unscheduled Removal, City of Fresno Police Department shall perform the relevant troubleshooting prior to removal. City of Fresno Police Department must obtain the prior written approval of SafranHE USA for any Unscheduled Removal of the Equipment.

City of Fresno Police Department must report to SafranHE USA within forty-eight (48) hours, the Unscheduled Removals by filling the Covered Equipment removal report form as per specimen attached in Appendix K. City of Fresno Police Department shall also place an order as per Article 7 below within the same above timeframe.

- 6.3. **Level 1 Maintenance.** City of Fresno Police Department shall be responsible for Level 1 Maintenance of Covered Equipment and the Covered Equipment shall be operated and maintained in accordance with the Reference Documents and by using the specific required tooling specified in such Reference Documents.
- 6.4. **Any maintenance operation performed by City of Fresno Police Department** must be performed by technicians qualified by SafranHE USA or Safran Helicopter Engines. Technicians' qualification level must be compliant with the Reference Documents.
- 6.5. **Reporting and Records.**
- 6.5.1. **Country of operation.** City of Fresno Police Department declared operating the Covered Equipment in the United States of America. Any change of country of operation shall be subject to an amendment as per Article 17.2.
- 6.5.2. **Monthly Report.** Each month City of Fresno Police Department shall complete the Usage Report form through Customer Portal and provide it to SafranHE USA, as of the last Day of the prior calendar month. The Usage Report must be received by SafranHE USA by the tenth (10th) Day of the month. In the event that City of Fresno Police Department is not able to complete and provide the Usage Report or connect to Customer Portal, City of Fresno Police Department may submit to SafranHE USA a written report in the form of Appendix I.
- 6.5.3. **Notice of Incident or Accident.** City of Fresno Police Department agrees to inform a SafranHE USA representative within twenty-four (24) hours of any incident or accident occurring to, or caused by, the Covered Equipment or any other SafranHE USA Owned Equipment in the custody of City of Fresno Police Department. A written report shall be submitted as soon as practical. Notice must precede return of any failed Equipment to SafranHE USA.
- 6.5.4. **Recordkeeping.** Covered Equipment or component documentation such as log book/ log card, module sheets and component log cards shall be fully maintained in an up-to-date status by City of Fresno Police Department.
- 6.5.5. **Operation and Maintenance Records.** City of Fresno Police Department shall keep records of Covered Equipment operation, maintenance and running time, and shall permit SafranHE USA to inspect and copy such records at any reasonable time upon request.
- 6.6. **Ownership.** City of Fresno Police Department hereby certifies and further warrants that it has good and clear ownership to the Equipment covered by this Agreement and warrants that such Equipment is free and clear of all liens, charges, mortgages or encumbrances and rights of others of any kind whatsoever and City of Fresno Police Department shall fully indemnify and hold SafranHE USA harmless in this regard. City of Fresno Police Department shall not, except in compliance with Article 17.1 (Sole Agreement) and Article 15 (Assignment) below:
- Make or offer to be made any change in the ownership, leasehold, utilization of the Equipment or any Aircraft on which the Equipment is installed, without prior written notice to SafranHE USA; and/or
 - Undertake any act that would result in the imposition of any lien, security interest or other encumbrance on any Equipment Owned by Safran Helicopter Engines or SafranHE USA.

Non-modification of Equipment. City of Fresno Police Department shall not make any modification or carry out any action not provided for in the Reference Documents on the Covered Equipment or on SafranHE USA Owned Equipment without prior written agreement and approval by SafranHE Site. Such agreement and approval shall not be unreasonably withheld. However, City of Fresno Police Department may modify Covered Equipment when required by the National Aviation Authority after providing prior written notice to SafranHE USA.

Scheduled Removal program. City of Fresno Police Department shall be responsible for planning the Scheduled Removal of its Equipment as follows:

- The estimated Scheduled Removal program for the next twelve months using the specimen form attached in Appendix J shall be sent quarterly (1st of January, 1st of April, 1st of July and 1st of October) to SafranHE USA's Commercial Department as defined in Appendix J.
- As a rule, City of Fresno Police Department shall advise SafranHE USA as soon as reasonably possible of any change in the Scheduled Removal program.

6.7. **HM Service.** City of Fresno Police Department shall promptly provide access to Safran Helicopter Engines to all Data after the Effective Date and ensure that the Data provided to Safran Helicopter Engines will permit the proper performance by SafranHE USA of the HM Service. City of Fresno Police Department shall offload Data from the Data Collection System of each of its Aircraft monitored under HM Service on a weekly basis. The Parties shall promptly communicate with each other on any issue they become aware of in this respect.

ARTICLE 7 – ORDERS

7.1. **Orders.** Whenever Equipment needs to be replaced, Repaired or Overhauled, City of Fresno Police Department shall notify SafranHE USA in writing and submit a purchase order containing the following information:

- 1) The SBH Agreement reference,
- 2) The type, serial number and version of the Aircraft from which the Equipment is removed,
- 3) The type, serial number and version of the Equipment,
- 4) The part number, the serial number and the description of the removed Equipment. For an Engine removal it is required to provide part number and serial number of each Module and FCU or HMU,
- 5) The part number, the serial number and the description of SafranHE USA consignment equipment installed when applicable,
- 6) The number of Operating Hours and/or Cycles. For an Engine removal it is required to provide number of Operating Hours and/or Cycles for each Module and FCU or HMU,
- 7) Quantity required,
- 8) Release certification required,
- 9) Reason for removal,
- 10) Required delivery date, applicable Incoterms and place of delivery.

7.2. **Order Acknowledgment.** Unless specified otherwise in this Agreement, an acknowledgement of receipt of order shall be duly filled in, signed and returned to City of Fresno Police Department within two (2) business days from receipt of the order, or within twenty-four (24) hours in AOG situation.

ARTICLE 8 – DELIVERY BY SAFRANHE USA

8.1. **Conditions of Shipment to City of Fresno Police Department.** Unless otherwise specified in an order, Equipment deliveries by SafranHE USA to City of Fresno Police Department shall be made according to FCA Designated Center (INCOTERM ICC issue 2020) and in packaging which conforms to the manufacturer's specification.

8.2. **Delivery lead-times.** In the case of scheduled removal of Covered Equipment pursuant to this Agreement, SafranHE USA will ensure that Replacement Equipment delivery to City of Fresno Police Department will take place within seven (7) Days before the final removal date agreed by the Parties, so long as the purchase order for such Replacement Equipment was received by SafranHE USA at least sixty (60) Days in advance of the forecasted scheduled removal date.

In the event of an Unscheduled Removal of the Equipment that does not require a replacement under AOG situations, SafranHE USA shall deliver a Replacement Equipment within five (5) Days from receipt of City of Fresno Police Department's order.

In AOG situations, SafranHE USA shall deliver Replacement Equipment within twenty-four hours (24) following receipt of a written order duly completed by City of Fresno Police Department. The AOG situation must be confirmed by SafranHE USA.

8.3. **Lack of performance from SafranHE USA.** If SafranHE USA fails to deliver the Equipment within the lead times specified above, then SafranHE USA shall be liable, starting the first Day of delay, without any further notice, to a daily fee equal to:

- three hundred US Dollars (300 USD) for Engines and Modules and/or
- one hundred US Dollars (100 USD) for FCU, HMU, EECU;

These daily fees shall be limited to a maximum of thirty (30) Days and shall be City of Fresno Police Department's sole remedy for any late delivery. The daily fees shall be paid to City of Fresno Police Department by issuance of a credit note and applied to City of Fresno Police Department's trade account.

However, in the event City of Fresno Police Department has not provided SafranHE USA with its Order and fully complied with the reporting requirements specified in Appendix K. SafranHE USA shall not be bound by the lead times set out in this sub-Article.

8.4. **Property Rights on Covered Equipment.** Standard Exchanged Equipment sent to the City of Fresno Police Department becomes the property of the City of Fresno Police Department or Owner, upon fitted on the Aircraft and completion of a Standard Exchange Certificate of Title Transfer as referenced in Appendix H attached hereto. Such Standard Exchange Equipment shall be delivered free and clear of all liens, charges, mortgages or encumbrances and rights of others of any kind whatsoever and the delivering Party shall fully indemnify and hold the other Party harmless in this regard. Notwithstanding the above, in the case that the Standard Exchange covers a Complete Engine, the Engine shall become the property of City of Fresno Police Department or Owner upon completion and signature of a Certificate of Title Transfer as referenced in Appendix H which shall be done forty eight (48) hours from the physical exchange of the Engine.

8.5. **Risk of loss or damage** shall pass upon delivery according to the applicable Incoterm.

ARTICLE 9 – RETURN OF EQUIPMENT TO SAFRANHE USA

9.1. The Core Unit removal shall be performed as defined by the Reference Documents.

9.2. **Delivery to SafranHE USA.** Equipment deliveries by City of Fresno Police Department to SafranHE USA shall be made DAP Designated Center (Incoterms issue 2020) and in packaging which conforms to the manufacturer's specification. City of Fresno Police Department shall provide SafranHE USA as soon as the information is available with all transport details, such as but not limited to the exact transfer point of the applicable bill of transport, any forwarding agent details.

9.3. **Documentation.** Any Covered Equipment delivered to SafranHE USA pursuant to this Agreement is to be accompanied by complete and up to date documentation.

9.4. **Covered Equipment.** For Engines and Modules, documentation shall include a copy of the EASA Form One or FAA or applicable certification, the shipping documents, the Engine or Module logbook together with its appendices and, the City of Fresno Police Department's order and the Covered Equipment removal report reference fully updated in accordance with Appendix K).

9.5. **Return lead time.** Any Covered Equipment delivered to SafranHE USA pursuant to this Agreement must be complete, including its documentation as stated in Article 9.3 above, and must be delivered ten (10) Days counting from the day the Replacement Equipment is received by City of Fresno Police Department in accordance with Article 8 (Delivery).

9.6. **Additional fee/Incentive.** If City of Fresno Police Department fails to deliver the Equipment within the above mentioned lead time plus five (5) Days counting from the Day the Replacement Equipment is received by City of Fresno Police Department in accordance with Article 8 (Delivery), then City of Fresno Police Department

shall be liable, without any further notice, to a daily fee equal to three hundred US Dollars (300 USD) for Engines and Modules, or/and one hundred US Dollars (100 USD) for FCU, HMU, EECU starting the first Day of delay. In this case, SafranHE USA will issue a supplementary invoice.

If City of Fresno Police Department delivers the Equipment one (1) Day earlier or more than the lead times specified in sub-article 9.5 above, then SafranHE USA shall grant City of Fresno Police Department a credit note of three hundred US Dollars (300 USD) for Engines and Modules, or/and one hundred US Dollars (100 USD) for FCU, HMU, EECU Accessories for each Day of advance delivery. In this case, SafranHE USA will issue a credit note.

In the event City of Fresno Police Department does not return the Core Unit within one hundred eighty (180) Days then SafranHE USA shall be entitled to invoice City of Fresno Police Department for the delivered Replacement Equipment using the secondhand sales price.

- 9.7. **Property Rights on Covered Equipment.** Covered Equipment under Standard Exchange becomes the property of SafranHE USA upon its removal from the City of Fresno Police Department's Aircraft and completion of a Standard Exchange Certificate of Title Transfer as referenced in Appendix H attached hereto. Such Equipment shall be delivered free and clear of all liens, charges, mortgages or encumbrances and rights of others of any kind whatsoever and the delivering Party shall fully indemnify and hold the other Party harmless in this regard.
- 9.8. **Risk of loss or damage** shall pass upon delivery according to the applicable Incoterm.

ARTICLE 10 – WARRANTY, INDEMNIFICATION, LIABILITY AND INSURANCE

- 10.1. **WARRANTY.** City of Fresno Police Department accepts and agrees that the only warranty provided by SafranHE USA as to the Equipment and Services covered and supplied under this Agreement shall be to provide the Services for the duration of this Agreement.

It is expressly agreed between City of Fresno Police Department and SafranHE USA that the benefits of the warranties granted by SafranHE USA to City of Fresno Police Department pursuant to this Article in relation to the Services and Equipment provided pursuant to this Agreement are to the extent permitted by law in lieu of any and all warranties whatsoever expressed or implied granted by Safran Helicopter Engines on the Equipment under the initial sale of said Equipment to City of Fresno Police Department, all other warranties, whether written, oral, expressed, implied or statutory (including, without limitation, any warranty of merchantability and fitness for particular purpose or against hidden, concealed or latent defect).

However, upon termination or Expiration of this Agreement, the warranty provisions, as granted by Safran Helicopter Engines (or any of its Affiliates, as applicable) on the Equipment under the corresponding sale thereof, shall apply for the remaining period of warranty if any. For the avoidance of doubt it means that for the Services not covered and supplied under this Agreement City of Fresno Police Department shall be covered by the warranty according to Safran Helicopter Engines Warranties Conditions.

- 10.2. **WAIVER/DISCLAIMER.** EXCEPT FOR THE LIMITED WARRANTY DESCRIBED IN ARTICLE 10.1, SAFRANHE USA DISCLAIMS ALL WARRANTIES OF ANY KIND, WHETHER STATUTORY, EXPRESS, OR IMPLIED (INCLUDING, BUT NOT LIMITED TO, WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE), AND ALL SUCH WARRANTIES ARE EXCLUDED FROM THIS AGREEMENT. FURTHER, EXCEPT FOR THE AFOREMENTIONED LIMITED WARRANTY, SAFRANHE SITE SHALL NOT HAVE ANY OTHER OBLIGATION OR LIABILITY IN CONTRACT OR TORT WITH REGARD TO PRODUCTS OR SERVICES ACQUIRED HEREUNDER, INCLUDING, BUT NOT LIMITED TO, ANY STRICT PRODUCTS LIABILITY, OR ANY LIABILITY FOR NEGLIGENCE BY SAFRANHE SITE. ANY LIABILITY THAT SAFRANHE SITE MIGHT OTHERWISE HAVE FOR ANY KIND OF DAMAGES IS HEREBY EXCLUDED, INCLUDING, BUT NOT LIMITED TO, LIABILITY FOR ANY INDIRECT, DIRECT, INCIDENTAL, PUNITIVE OR CONSEQUENTIAL DAMAGES OR ANY LOSS OR EXPENSE ARISING FROM OR RELATING TO THE USE, LOSS OF USE, PERFORMANCE, OR NONPERFORMANCE OF ANY PRODUCTS ACQUIRED FROM OR SERVICED BY SAFRANHE SITE.
- 10.3. **Intentionally Omitted.**

10.4. LIMITATION OF LIABILITY

- 10.4.1. The liability of SafranHE USA with respect to this Agreement, or anything done in connection herewith such as the performance or breach thereof, or from the manufacture, installation or technical direction of installation, maintenance, repair or use of any Equipment covered by or furnished under this Agreement, whether in contract, in tort, under any warranty, or otherwise, is limited to the repair or replacement, at SafranHE USA's election, of the Equipment on which liability is based.
- 10.4.2. In no event will SafranHE USA be liable for any incidental, consequential, special, punitive or indirect damages, including but not limited to loss of profits, loss of revenue, loss of contract, loss of business opportunity or loss of use (including use of Aircraft or use of the Covered Equipment) whether asserted by City of Fresno Police Department or any third party even if informed of the possibility of such damages. For the avoidance of doubt, damage to the Aircraft or third parties shall be considered consequential damages.

10.5. INSURANCE

- 10.5.1. City of Fresno Police Department 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 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 or more 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 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.
- 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 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. Intentionally Omitted.
- 10.5.5. Insurance obligations in case of Leasing:
- 1) **Insurance in Transit.** City of Fresno Police Department 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 custody of City of Fresno Police Department 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 further agrees that during such time any SafranHE USA Owned Equipment or supplies are installed in City of Fresno Police Department's aircraft, City of Fresno Police Department 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 shall also maintain at all times Aircraft and **BODILY INJURY AND PROPERTY DAMAGE INSURANCE**, including Passengers, in an amount of at least 5,000,000.00 USD Combined Single Limit.

ARTICLE 11 – PRICING CONDITIONS

- 11.1. **Hourly and Cycle Rate.** In consideration of the Services provided by SafranHE USA under this Agreement, City of Fresno Police Department shall pay SafranHE USA an Hourly rate and a Cycle rate (excluding VAT) for every Operating Hour and Cycle of the Equipment covered under this Agreement which is as set forth in Appendix E (hereinafter referred to as "Hourly and Cycle Rate" where appropriate). During Repair of Equipment, City of Fresno Police Department shall continue to pay the same Hourly and Cycle Rate for the hours and cycles consumed with the Replacement Equipment. For avoidance of doubt, the Hourly and Cycle Rate already takes into account Safran Helicopter Engines objective of matured T.B.O, for the Covered Equipment.
- 11.2. **Revision.** The Hourly and Cycle Rate is valid for the current calendar year and shall be revised on the first of January of each subsequent calendar year, according to the terms defined in Appendix E hereto.
- 11.3. **Additional charges.**
 - 11.3.1. **Balance Between Hours Declared and Hours Logged.** When Covered Equipment is returned to SafranHE USA, if the Operating Hours declared and paid disagree with the entries in the log-book or log card, SafranHE USA shall issue an invoice adjustment applying the Hourly Rate in effect at the time of adjustment to the difference in Operating Hours.
 - 11.3.2. **Balance Between Cycles Declared and Cycles Logged.** When Covered Equipment is returned to SafranHE USA, if the total Cycles declared and paid disagree with the entries in the log-book or log card, SafranHE USA shall issue an invoice adjustment applying the Cycle Rate in effect at the time of adjustment to the difference in Cycles.
 - 11.3.3. **Premature Overhaul.** Whenever a Scheduled Removal does not occur within the timeframes specified in Article 6.1 above, an additional invoice shall be issued.

Additional invoice = Hourly Rate x (TBO remaining - 50 hours) * Module/Accessories Weight* x Module N°X/Accessory Weight*

Premature Calendar Reset. Whenever a Scheduled Removal does not occur within the timeframes specified in Article 6.1 above, an additional invoice shall be issued.

For Module :

Additional invoice = Hourly Rate x Modules Weight* x Concerned Module Weight* x (Module Calendar Remaining Life [Months] x (Engine TBO [hours] / Calendar Limit [Months]))

For Accessory with TBO:

Additional invoice = Hourly Rate x Accessories Weight* x Concerned Accessory Weight* x (Accessory Calendar Remaining [Months] x (Accessory TBO [hours] / Calendar Limit [Months]))

*As per weight defined in Appendix F.

11.3.4. **Additional invoicing linked to non-covered services.**

Exclusions. Except as may be otherwise provided herein, this Agreement specifically excludes from coverage the repair or replacement of Covered Equipment due to causes beyond normal wear and tear, as well as the excluded events listed in Appendix D.

SafranHE USA Discovery of Exclusion. SafranHE USA shall advise City of Fresno Police Department upon the discovery of any observed damage to Covered Equipment, which appears to have been caused by any of the reasons, set forth in Appendix D (Excluded Events). In such cases, City of Fresno Police Department shall be responsible for the parts and labor costs of any such Repair or replacement of the Covered Equipment ("Excluded Costs") actually caused by any of the reasons set forth in Appendix D (Excluded Events), and reimbursement to SafranHE USA of the Excluded Costs shall be made by City of Fresno Police Department in addition to other payments made pursuant to this Agreement.

Invoicing and Adjustments Upon Discovery of Exclusion. To take into account the normal wear and tear of some items which are covered in the rate, a credit note will be granted to City of Fresno Police Department on the amount invoiced for each item that is prematurely replaced for abnormal wear, except in cases of modification of Covered Equipment. This credit note will apply only to major items whose list price is greater than or equal to six thousand dollars (6,000.00 USD), based on current economic conditions. This value will be revised according to the current economic conditions. The credit note will be calculated as follows:

- If the item has a life or use limit:

$$\text{CREDIT NOTE} = \frac{\text{ITEM PRICE}}{\text{LIFE LIMIT}} \times \frac{\text{SERVICE LIFE LIMIT ELAPSED AT TIME OF ITS REPLACEMENT}}{\text{LIFE LIMIT}}$$

- If the item has no life or use limit:

$$\text{CREDIT NOTE} = \text{ITEM PRICE} \times 35\% \times \frac{\text{TSO}}{\text{TBO}}$$

Discovery of Exclusion for Equipment on Lease. SafranHE USA shall advise City of Fresno Police Department upon discovery of any damage to Equipment which appears to have been caused by any of the reasons set forth in Appendix D (Excluded Events) while under lease to City of Fresno Police Department. In such cases, City of Fresno Police Department shall be responsible for the parts and labor costs of any such Repairs or replacement of the Covered Equipment ("Excluded Costs") actually caused by any of the reasons set forth in Appendix D (Excluded Events), and reimbursement to SafranHE USA of the Excluded Costs shall be made by City of Fresno Police Department in addition to other payments made pursuant to this Agreement.

11.3.5. **Miscellaneous Expenses.**

- 1) **Missing Parts or Packaging.** In the event Covered Equipment is delivered to SafranHE USA which is not complete because it is missing parts or components, SafranHE USA will replace any missing parts or components and shall be entitled to charge City of Fresno Police Department in accordance with the catalogue price list in force.
- 2) **Missing Documents.** In the event the Covered Equipment is delivered to SafranHE USA and not accompanied with the required documents as per Article 9.3, SafranHE USA shall be entitled to charge City of Fresno Police Department for all associated costs for obtaining or creating new documents.
- 3) **Labor and Transportation.** Unless otherwise agreed in this Agreement, City of Fresno Police Department agrees to bear all labor and transportation costs for the removal, installation and troubleshooting.
- 4) **Unscheduled Removal not approved by SafranHE USA representative.** In the event removal of the Covered Equipment is not confirmed by a SafranHE USA representative,

SafranHE USA shall charge City of Fresno Police Department for all associated removal and maintenance costs.

- 5) **Check for Leasing Equipment before Return.** In the event checks specified in the Maintenance Manual and the Flight Manual related to the Removal Equipment Chapters were not performed before the Leasing Equipment is returned to Designated Center, then SafranHE USA shall charge City of Fresno Police Department for the testing of the Equipment on Safran Helicopter Engines test benches.

- 11.4. **Purchase of Used Hours and Cycles.** With respect to non-covered, non-zero time Equipment requested to be covered by this Agreement (which has not been previously covered by an SBH program, and transferred accordingly), City of Fresno Police Department shall be required to purchase the used hours and Cycles for a fee set forth in Appendix F ("Buy-In Fee") based on the number of Operating Hours and Cycles consumed since last Overhaul or where the Equipment has not yet been subject to Overhaul, since first date of entry into operation, prior to the incorporation of City of Fresno Police Department's Equipment in this Agreement.

For the avoidance of doubt, all Operating Hours and Cycles of each Equipment covered by this Agreement are taken into account, since new or last Overhaul whether the Engine is in service or used as Spare with the exception of Operating Hours and Cycles run during Engine test bench, prior to the Equipment being delivered to City of Fresno Police Department as brand new or overhauled Equipment.

Appendix F, which is incorporated herein by reference, sets forth the City of Fresno Police Department's Engines buy-in calculation, amount and payment terms with respect to any purchase of used hours and Cycles under this Article 11.4.

Should any Removal for Services occur prior to payment of the Buy-In Fee in full by City of Fresno Police Department, City of Fresno Police Department understands and agrees to pay SafranHE USA, without any further notice, such fee in full prior to any such Services being commenced. In the event the Buy-In Fee is not paid in full, SafranHE USA does not have any obligations under this Agreement to provide Services and shall be entitled, as of right, to terminate this Agreement under Article 14 below (Termination).

- 11.5. **Hardship.** In case of any event(s), changes and/or circumstances that make the performance of the SafranHE USA's obligations uneconomic or otherwise excessively burdensome, and/or which, in the opinion of the SafranHE USA has, or may reasonably be expected to have, a prejudicial effect on the financial conditions or operations of the SafranHE USA to perform any and all of its obligations under this Agreement, the SafranHE USA may notify it in writing to the City of Fresno Police Department, and then the Parties shall negotiate in good faith the necessary adjustments or modifications to the escalation rate defined above in order to preserve the SafranHE USA's ability to perform the Agreement. In the event the Parties cannot reach an agreement within the sixty (60) calendar days following the receipt by the City of Fresno Police Department of such notification, the SafranHE USA shall have the right to terminate the Agreement, without any indemnity and/or liability whatsoever, automatically without further recourse, by giving a sixty (60) days written termination notice to the City of Fresno Police Department. Such circumstances may be significant increase of raw material (Titanium, Nickel, Aluminum, Copper, Profile Steel) or of energy price or significant variation of Euros/USD exchange rate.

ARTICLE 12 – CONDITIONS FOR PAYMENT

12.1. General conditions.

- 1) **Payment Address.** City of Fresno Police Department shall send all payments due under this Agreement electronically to the following Bank's account:

SafranHE USA
EUR Current Account:
Citibank N.A.
One Penns Way
New Castle, DE 19720
Account# 38859937
ABA# 031100209

- 2) **Payment references.** Each payment should indicate the Covered Equipment serial numbers and the invoice numbers that it covers.
 - 3) **Currency.** City of Fresno Police Department shall settle SafranHE USA's invoices in US Dollars (USD) currency.
 - 4) **Payment lead time.** Each invoice shall be due within thirty (30) Days from the invoice date.
 - 5) **Disputed invoices.** City of Fresno Police Department shall notify SafranHE USA in writing if an invoice is disputed within fifteen (15) Days of receipt of invoice. Such invoice shall remain payable in accordance with this article 12. Invoices not disputed within this period shall be deemed to be valid.
 - 6) **Outstanding invoices.** In the event invoices are not paid within thirty (30) Days, SafranHE USA may suspend coverage under this Agreement without need for notice until full payment of the amount due has been received from City of Fresno Police Department. If coverage is suspended, City of Fresno Police Department shall not be entitled to claim any damage or loss resulting directly or indirectly from suspension. Furthermore, SafranHE USA shall be entitled to terminate this Agreement in accordance with Article 14 below.
 - 7) **Interest for late payment.** Interest on all amounts past due shall be invoiced and paid at the rate of eighteen percent (18%) per annum, or (if less than eighteen percent (18%) per annum) the maximum amount permitted by applicable law.
 - 8) City of Fresno Police Department shall be responsible for all sums, including attorney's fees, reasonably incurred by SafranHE USA as a result of City of Fresno Police Department's default in settling any invoice or invoice installment when due.
- 12.2. **Invoicing method.** City of Fresno Police Department will be invoiced and shall pay to SafranHE USA monthly, an amount equal to the Hourly and Cycle Rate multiplied by the actual hours and Cycle of Covered Equipment operation as set forth in the monthly report and specified in this Agreement, plus any supplemental fees and other charges that may be applicable in accordance with this Agreement.
- 12.3. **Reconciliation.** In the event City of Fresno Police Department does not provide SafranHE USA with a monthly report of Operating Hours and Cycles consumed in accordance with Article 6.5.2 above, SafranHE USA shall invoice City of Fresno Police Department with the same amount as the previous month. In case it happens the first month following the execution of this Agreement then SafranHE USA shall invoice City of Fresno Police Department according to the estimated monthly flown hours. Then SafranHE USA shall reconcile the invoice on the following month.
- 12.4. **Taxes.** Taxes, Duties or charges.

The Hourly and Cycle Rate is quoted before tax in accordance with article 12 above. In addition to the Hourly and Cycle Rate, City of Fresno Police Department agrees to pay, upon demand, all taxes (including, without limitation, sales, use, excise, turnover or value added taxes), duties, Import tariffs, fees, charges or assessments of any nature (but excluding any income taxes) (hereinafter "Taxes") assessed or levied in connection with the performance of the Agreement.

Where City of Fresno Police Department is liable to Value Added Tax, this shall be payable along with the settlement of each invoice, according to the VAT regulation in force. City of Fresno Police Department shall notify to SafranHE USA its VAT Code, if necessary.

Reimbursement / Refund.

If payment of any such Taxes is made by SafranHE USA, City of Fresno Police Department will reimburse SafranHE USA upon demand, such reimbursement including, inter alia, penalties and interests which could have been levied against SafranHE USA. City of Fresno Police Department will use reasonable efforts to obtain a refund thereof. If all or any part of any such Taxes is refunded to SafranHE USA, SafranHE USA will repay to City of Fresno Police Department such part thereof as SafranHE USA was refunded.

Withholdings.

All payments by City of Fresno Police Department to SafranHE USA (or the applicable affiliated company) under this Agreement shall be free of all withholdings of any nature whatsoever except to the extent otherwise required by law, and if any such withholding is so required, City of Fresno Police Department shall promptly notify SafranHE USA by written notification and will pay an additional amount such that after the deduction of all amounts required to be withheld, the net amount received by SafranHE USA will equal the amount that SafranHE USA would have received if such withholding had not been acquired.

If the aforementioned mechanism contradicts the law of United States of America, the Parties shall amend this Agreement in order to increase the respective prices and amounts provided for by this Agreement so that the initial prices and amounts are preserved.

ARTICLE 13 – IMPORT & EXPORT CONTROL

- 13.1. The Party which is exporting in the case of exports, and the Party which is importing in the case of imports, shall be responsible for obtaining all necessary licenses, or other governmental authorizations required in connection with any export, re-export, or imports, as the case may be, under this Agreement.
- 13.2. The Parties will cooperate with each other in securing any such licenses or governmental authorizations as may be required.
- 13.3. The Party which is importing shall provide the Party which is exporting the final destination of the item whenever such destination differs from the contracted delivery address.
- 13.4. Any license or authorization, if required, shall be in accordance with the rules and regulations set out by the relevant governmental authorities.
- 13.5. The Party responsible for obtaining such license or authorization pursuant to Article 13.1 shall use all reasonable endeavors to secure all necessary governmental approvals (including any necessary export and re-export, and/or import licenses). However, the refusal or withdrawal or suspension of such a license or authorization shall constitute a Force Majeure event (as defined in Article 17.12 hereunder) provided that reasonable endeavors have been used to secure and maintain the said license or authorization.
- 13.6. City of Fresno Police Department undertakes not to sell, lend or deliver to any third party under any conditions whatsoever, with or without compensation, temporarily or permanently, the supplies which are the subject of this Agreement (including Equipment, Standard Exchange Equipment, Tools and Spare Parts), documentation, operating manuals and information in any way whatsoever related to this Agreement otherwise than in strict compliance with the applicable export control regulations. However, the Equipment covered by this Agreement may be subject to requirement set forth in article 12g of Council Regulation (EU) No 833/2014 of 31 July 2014 concerning restrictive measures in view of Russia's actions in Ukraine, as amended from time to time. City of Fresno Police Department undertake not to retransfer or re-export, directly or indirectly, products or technology subject to this Agreement, as is or integrated, to Russia or for use in Russia (or Ukrainian territories controlled by Russia) and in Belarus. In the event of failure to comply with this clause, SafranHE USA shall automatically have the right to terminate the Agreement in progress with immediate effect and without compensation, and without prejudice to any remedies SafranHE USA may take against the City of Fresno Police Department.
- 13.7. Any government fees or charges in connection with obtaining required licenses or authorizations shall be the responsibility of the Party which is exporting in the case of exports, and the Party which is importing in the case of imports, the products, services or technical data.
- 13.8. The Equipment may have a US classification or may contain US origin parts and are authorized for export by the US Government according to the relevant laws, regulations or orders. They may not be resold, diverted, transferred, transhipped or otherwise be disposed of in any country, either in their original form or after being incorporated through an intermediate process into other end-items, without the prior written approval of the US Department of State.

For all Equipment under this Agreement, City of Fresno Police Department shall notify SafranHE USA of any anticipated re-export or trans-shipment through any country other than United States of America.

City of Fresno Police Department confirms that the Equipment or information received from SafranHE USA, will not be used for any purpose associated with chemical, biological or nuclear weapons or missiles capable of delivering such weapons, nor will they be re-sold and/or re-transferred if City of Fresno Police Department knows or suspects that they are intended or likely to be used for such purposes.

- 13.9. The Parties shall not supply any Equipment, disclose any information or provide any service in any manner contrary to the laws and regulations of the United States of America or any applicable non-U.S. export laws and regulations. The Equipment, information and services that the Parties may wish to disclose or provide pursuant to this Agreement may be subject to the provisions of the Export Administration Act of 1979 (50 USC 2401 et seq.), the Export Administration Regulations promulgated hereunder (15 CFR 768-799) or U.S. Arms Export Control Act (22 USC 2778 et seq.) and the International Traffic in Arms Regulations (22 CFR 120-128 and 130). The Parties acknowledge that these statutes and regulations impose restrictions on the import, export, transfer and re-transfer to third countries of certain categories of assets, data, services and articles, and that licenses from the US Department of State and/or the US Department of Commerce may be required before such assets, data, services, and articles can be disclosed or provided hereunder, and that such licenses may impose further restrictions on use and further disclosure of such assets, data, services and articles. Disclosure or transfer of such assets, data, services and articles to foreign persons is subject to the above regulations regardless of whether the export occurs in the US or abroad.
- 13.10. **THE PARTY REQUIRED TO OBTAIN ANY REQUIRED EXPORT LICENSE OR AUTHORIZATION SHALL INDEMNIFY AND HOLD THE OTHER PARTY HARMLESS FROM ALL CLAIMS, DEMANDS, DAMAGES, COSTS, FINES, PENALTIES, ATTORNEYS' FEES AND OTHER EXPENSES ARISING FROM FAILURE TO RESPECT THE OBLIGATIONS RELATED TO SUCH LICENSE OR OTHER AUTHORIZATION.**
- 13.11. Some technical Data may be subject to export control rules. The City of Fresno Police Department hereby agrees to comply with any applicable export regulations and to provide SafranHE USA with all Data necessary to evaluate any export restrictions that may affect the Service and its use. The technical Data of Health Monitoring provided to the User may be subject to the issuance by the competent authorities of an export authorization or license. If applicable, the City of Fresno Police Department shall specify whether the Data it has transmitted are subject to national export control regulations. City of Fresno Police Department undertakes to respect the restrictions on the use of the Data and to obtain all the certificates required by the applicable regulations. The Parties shall cooperate whenever necessary to obtain the issuance or maintenance of such required governmental licenses or authorizations. City of Fresno Police Department represents and warrants that (i) it will not infringe any applicable laws or regulations of the United States or any other country (ii) it is not located in a country that is subject to a United States Government embargo, or that has been designated by the United States Government as a "terrorist supporting" country; and (iii) it is not listed on any United States Government list of prohibited or restricted parties. The Parties shall notify each other of any refusal, withdrawal or non-renewal of an export license or authorization. SafranHE shall not be held responsible for the refusal, withdrawal or non-renewal of any required export license or authorization.

ARTICLE 14 – TERMINATION

14.1. Reasons for termination.

Convenience. This Agreement may be unilaterally terminated by either party hereto, without cause, upon sixty (60) Days prior written notice (the "Termination Notice") to the other party.

Loss or sale of Covered Equipment. In the event Covered Equipment is lost or destroyed or sold and if no any other Equipment remains covered, the Agreement will be deemed "Terminated" as of the date of loss or sale.

Default. If City of Fresno Police Department or SafranHE USA fails to comply with any of the terms or provisions of this Agreement within thirty (30) Days of receipt of written notice of any such default, the other Party may, without prejudice to its other rights and remedies, terminate this Agreement by written notice to the defaulting Party.

Notwithstanding the above and if City of Fresno Police Department does not perform its obligations, SafranHE USA reserves the right to suspend the performance of any Services under this Agreement. If the performance of any Services is suspended, City of Fresno Police Department shall not be entitled to claim any damage or loss resulting directly or indirectly from such suspension.

Bankruptcy. Without prejudice to its other rights and remedies and unless otherwise specified by law, a Party may immediately terminate this Agreement by written notice if the other Party enters into bankruptcy or liquidation proceedings or becomes unable to pay its debts as they come due or if there is a Change In Control of the Party.

Force Majeure. If any Party remains affected by a Force Majeure event (as defined below) for more than one hundred and twenty (120) Days, then the other Party may immediately terminate this Agreement by serving a written notice of termination to the affected Party, without any Party incurring any liability whatsoever.

14.2. Consequences of termination.

14.2.1 **City of Fresno Police Department duties upon termination.** Within fifteen (15) business days after the Termination Date, City of Fresno Police Department must, at its own's expenses, return any and all Equipment and supplies belonging to SafranHE USA to the SafranHE USA Shipping Address, DAP SafranHE USA Designated Center. If City of Fresno Police Department fails to return Equipment and supplies within fifteen (15) business days, then City of Fresno Police Department will be liable, without any further notice, to a daily fee equal to three hundred US Dollars (300 USD) per day.

In the event, City of Fresno Police Department does not return any and all Equipment and supplies belonging to SafranHE USA within thirty (30) Days then SafranHE USA shall be entitled to claim to City of Fresno Police Department the Equipment's and supplies' replacement value.

If the returned SafranHE USA's Equipment is found to be incomplete and/or damaged, then SafranHE USA shall be entitled to claim an amount equivalent to the value of missing parts and/or requested repair.

City of Fresno Police Department shall also pay in full the accrued amount and outstanding invoices and charges to SafranHE USA under this Agreement.

14.2.2 **SafranHE USA duties upon termination.** SafranHE USA shall, at City of Fresno Police Department's expenses, promptly deliver all City of Fresno Police Department's Equipment and related documentation to City of Fresno Police Department provided that City of Fresno Police Department has fulfilled all payment obligations under this Agreement and has returned all SafranHE USA's Equipment.

Upon termination of this Agreement and unless otherwise agreed between the Parties, SafranHE USA shall complete all work in progress in accordance with the terms of this Agreement.

14.3. Financial settlement.

14.3.1 **Buy out.** On termination or expiry of this Agreement or Engine removal from this Agreement, SafranHE USA, at its own discretion, may provide City of Fresno Police Department for every Engine which is the subject of this Agreement, either:

- (a) an Overhauled Engine or repaired Equipment as Standard Exchange and/or
- (b) a credit note calculated in accordance with Article 14.3.2 below.

14.3.2 **Credit note calculation.** SafranHE USA shall calculate this credit note in accordance with the methodology described in Appendix F.

14.3.3 **Application of credit note.** The credit note will first be applied to any outstanding invoices which City of Fresno Police Department owes to SafranHE USA under this Agreement. Any remaining credit note will be applied as a credit note to City of Fresno Police Department's trade account with SafranHE USA and shall be used within three (3) years of termination, expiration or removal, unless otherwise agreed by the Parties.

- 14.3.4 **Timing.** SafranHE USA shall settle the buy-out as specified in Article 14.3.1 of this Agreement within six (6) months from the termination or expiration date of this Agreement, unless such time period is extended by mutual agreement of the Parties.
- 14.3.5 **Non-Notification.** In case of non-notification by Customer to SafranHE USA of the sale or lease expiration of the Covered Equipment which prevents City of Fresno Police Department from having the Covered Equipment available for SafranHE USA to perform a Standard Exchange as per Section 14.3.1, the credit note provided under Article 14.3.1 will be calculated with a fifty percent (50%) deduction

ARTICLE 15 – ASSIGNMENT AND TRANSFER

- 15.1. City of Fresno Police Department shall not assign or transfer or subcontract or delegate its rights, benefits, duties or obligations under this Agreement, whether voluntarily or involuntarily, by operation of law, or otherwise, including to third party operators, without SafranHE USA’s prior written consent.
- 15.2. Any sale of the ownership interests (e.g., stock, membership interest, partnership interest, etc.) of City of Fresno Police Department that results in a loss of control, or any merger, consolidation, reorganization, or other similar transaction of City of Fresno Police Department will be deemed to be an assignment by operation of law.
- 15.3. Any change of ownership of Covered Equipment will also be deemed to be an assignment by operation of law.
- 15.4. Any attempted assignment or delegation is void without the consent of SafranHE USA.
- 15.5. If City of Fresno Police Department assigns its rights or sub-contracts or delegates its duties under this Agreement, whether voluntarily or involuntarily or by operation of law, then SafranHE USA, in its sole discretion, may terminate this Agreement, in whole or with respect to an individual piece of Covered Equipment, or declare a breach of this Agreement and terminate the Agreement in accordance with Article 14.1, in addition to any other remedies of SafranHE USA.
- 15.6. SafranHE USA is entitled to assign at any time the benefits, rights and remedies and/or transfer all or part of its obligations under this Agreement to any of its affiliates.

SafranHE USA reserves the right, in its sole discretion, to sub-contract any part or all of its obligations under this Agreement or any Order.
- 15.7. SafranHE USA may subcontract to any third party or affiliate the performance of the HM Service, provided that such third party or Affiliate is subject to the same confidentiality obligations as SafranHE USA. SafranHE USA and its subcontractors (third party or Affiliate) can only use the Data for the performance and improvement of the HM Service and/or the development or improvement to Group Safran’s products and services. SafranHE USA cannot be held liable with respect to the City of Fresno Police Department, irrespective of the circumstances for any errors or lack of accuracy of the Data.

ARTICLE 16 –LAW AND JURISDICTION

Jurisdiction and Venue. This Agreement, and any disputes, issues, or disagreements related hereto or arising herefrom shall be interpreted in accordance with and governed by the laws of the State of California, without regard to choice of law rules. The Parties consent to the sole jurisdiction and venue in any court of competent jurisdiction in Fresno, California, and in no other jurisdiction, in any action or proceeding arising out of, or related in any way to, this Agreement.

ARTICLE 17 – MISCELLANEOUS

- 17.1. **Sole Agreement.** There are no other agreements or understandings, either oral or written, between SafranHE USA and City of Fresno Police Department affecting this Agreement. This Agreement cancels and supersedes all previous agreements between SafranHE USA and City of Fresno Police Department relating to the subject matters covered herein.

- 17.2. **Amendment.** In the event City of Fresno Police Department requests additional services which are not covered by this Agreement, the conditions for the performance of such services will be subject to a specific agreement. No change, addition to or deletion of any portion of this Agreement shall be valid or binding unless the same is approved in writing by both Parties.
- 17.3. **Language.** The official text of this Agreement is in the English language. If this Agreement is translated into another language for the convenience of City of Fresno Police Department or its personnel, the English version shall prevail in the event of a dispute arising out of the interpretation of this Agreement.
- 17.4. **Precedence.** In the event of any conflict between the following documents, the order of precedence between them shall be as follows
- the Order with its acknowledgment;
 - this Agreement without its Appendices;
 - the Appendices.
- 17.5. **Waiver.** No waiver of any term or condition of this Agreement shall be enforceable unless it is in writing signed by the Party against which it is sought to enforce. The waiver by either party of a breach of any provision of this Agreement by the other shall not operate or be construed as a waiver of any subsequent breach by such other Party.
- 17.6. **Cost of Enforcement.** If any action at law or in equity or any other proceeding is necessary to enforce or interpret the terms of this Agreement, the prevailing party shall be entitled to reasonable attorneys' fees, court costs, and necessary disbursements in addition to any other relief to which he or it may be entitled.
- 17.7. **Severability.** In the event that specific provisions of this Agreement are (or become) legally invalid, unenforceable or illegal, the validity of the remaining provisions (or the application of such specific provision to other situations and/or circumstances) shall not be affected; and the Parties will endeavor to agree upon new provisions which will reflect as nearly as possible, the intent of the original provisions to replace those which are invalid, unenforceable or illegal.
- 17.8. **Headings.** The Article headings used in this Agreement are for reference and convenience only and shall not affect the interpretation of this Agreement.
- 17.9. **Gender.** Whenever in this Agreement the context so requires, the male gender shall include the female and the neuter; the female gender shall include the male and the neuter; and the neuter shall include the male and the female.
- 17.10. **Number.** The use in this Agreement of the singular number shall include the plural, and the plural number shall include the singular wherever appropriate.
- 17.11. **Counterparts.** This Agreement may be executed in counterparts, each of which shall constitute an original, but all of which shall constitute one and the same document. For the avoidance of doubt, City of Fresno Police Department shall send the original executed copy of this Agreement to SafranHE USA within five (5) business days of execution.
- 17.12. **Survivorship.** The rights and obligations of the Parties under this Agreement, which by nature survive any expiration or termination of this Agreement (including without limitation, Article 10, Article 13, Article 14, Article 16, and Article 18), shall remain in force notwithstanding any such expiration or termination.
- 17.13. **Appendices.** All Appendices are expressly made a part of this Agreement.
- 17.14. **Independent Contractors.** Neither Party shall have the right to contract or in any other way to enter into commitments on behalf of or in the name of the other Party and shall not by course of conduct or otherwise hold itself out to any third party as having such authority. The relationship of the Parties under the Agreement shall be that of independent contractors.
- 17.15. **Force Majeure.** Neither Party shall be liable for failing to perform its obligations under this Agreement or for delay in performing where such failure or delay in performance is due to Force Majeure. Force Majeure means any event which is beyond the reasonable control of a Party including but not limited to acts of war

(declared or not declared), civil war, riots, acts of terrorism, natural disasters, floods, earthquake, fires, unusually severe weather, disruption of essential services such as electrical power and broadband network including Internet, quarantine or any precaution taken against contagious, epidemic or pandemic disease, restraints of Government or any competent authority, laws, orders or regulations, industrial actions such as strike, machinery breakdown, computer virus, delays or accidents in the supply of essential raw material or in the dispatch of item related to the Equipment or in the shipment of the same or an exceptional combination of such events. If a Force Majeure event occurs, the affected Party shall notify the other Party within fifteen (15) Days of the occurrence of such event. Such notification shall include at a minimum, the date on which such event commenced, the reasons and the nature thereof, and the estimated duration of the delay. The affected Party shall regularly update the other Party regarding the status of the event and any mitigating action being taken. In the case of Force Majeure the time for performance shall be extended for a period equal to the time lost by reason of the Force Majeure event. These provisions shall not however relieve a Party from using all commercially reasonable efforts to mitigate the effects of the Force Majeure event, to remove such causes and to resume performance with reasonable dispatch whenever the cause of the Force Majeure stops or is removed; Notwithstanding the foregoing, Force Majeure shall not suspend the liability, for failure to perform, of any payment obligation here under.

- 17.16. **Notifications.** All notices, requests, demands and other communications required or permitted to be given under this Agreement shall be in writing (in English) and shall be conclusively deemed to have been duly given and received (a) when hand delivered; (b) five days after the same have been deposited in a United States post office via certified mail/return receipt requested; (c) the day sent by facsimile transmission or PDF format through electronic mail ("e-mail") if sent prior to 5:00 P.M. (local Dallas, Texas time), provided that a confirmation copy thereof must be sent no later than the business day following the day of such facsimile or e-mail transmission by another acceptable method under this Article 17.16; or (d) the next Business Day after same have been deposited with a national overnight delivery service (e.g., FedEx) - in each case addressed to the parties at the address set forth on Exhibit L, as applicable. Wherever herein an action must be taken by a particular date, the action must be taken by 5:00 P.M. (local Dallas, Texas time), on such date in order to be effective. A party may change or supplement the addresses given below, or designate additional addresses, for purposes of this Article 17.16 by giving all of the other Parties hereto written notice of the new address in the manner set forth above.
- 17.17. **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 applicable 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 their respective country, 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 18 – CONFIDENTIALITY

The Parties hereby agree not to disclose the terms and conditions hereto, as well as the technical documentation, the operation rules, and all information of any nature whatsoever associated with this Agreement (the "Confidential Information"), to third parties, without prior written approval from the other Party hereto and shall limit dissemination of such Confidential Information within its own company on a need-to-know basis. It shall make clear to such individuals their obligation to maintain such Confidential Information in strict confidence. SafranHE USA recognizes that City of Fresno is a public entity subject to public disclosure laws as governed by California law. As such, each party may disclose Proprietary Information when compelled to do so by law, provided that the disclosing party may seek any and all injunctive relief as permitted by law to prevent disclosure. The Parties agree that all communications between the Parties and all records created or received by the Parties in connection with this Agreement shall be subject to the California Public Records Act.

The receiving Party shall be under no obligation with respect to any Confidential Information which:

- 1) is at the time of disclosure available to the public;
- 2) becomes available to the general public at a later date through no fault of the receiving Party;
- 3) the receiving Party can demonstrate was rightfully in its possession before receipt.

No disclosure, publicity nor public announcement in relation to the content of this Agreement shall be made without the prior written agreement of the other Party.

SafranHE USA may freely disclose Confidential Information to its affiliates and/or natural persons and/or legal entities with a need-to-know which are bound to SafranHE USA by confidentiality obligations no less onerous than those provided in this Agreement.

Unless expressly provided otherwise herein, this Agreement does not operate as an assignment or as granting any right to the receiving Party on any patents, copyrights, know-how, registered and unregistered designs, trademarks, trade names or other intellectual property rights of the disclosing Party as may subsist in or be contained in or reproduced in the Confidential Information.

Each Party acknowledges and confirms that a breach of its obligations hereunder cannot be compensated adequately by an award of damages or indemnity or other pecuniary remedy but the disclosing Party shall also be entitled in the event of any such breach to the remedies of injunction for specific performance or other equitable relief in respect of any such breach.

The obligation contained in this article shall survive the termination or expiration of this Agreement for a thirty (30) years period.

ARTICLE 19 – ETHIC

Each Party solemnly declares that:

- It has not infringed any anti-corruption laws or regulations,
- It has not been subject to any civil or criminal sanctions, in France or abroad, for infringement of anti-corruption laws or regulations and that no investigation or proceedings which could lead to such sanctions have been brought against it,
- To the best of its knowledge, no executive or manager of its companies has been subject to any civil or criminal sanctions, in France or abroad, for infringement of anti-corruption laws or regulations and that no investigation or proceedings which could lead to such sanctions have been brought against such persons.

Each Party warrants that:

- It complies and shall comply with the legal provisions against corruption in accordance with the OECD Convention of 1997 and the United Nations Convention Against Corruption of 2003 (UNCAC),
- It has not granted and shall not grant, directly or indirectly, any gift, present, payment, remuneration or benefit whatsoever (trip, etc.) to anyone with a view to or in exchange for the conclusion of this Agreement.

Either Party shall notify the other Party of any gift, present, payment, remuneration or benefit whatsoever that it might grant either directly or indirectly to any employee, officer or representative of the other Party or to anyone that might influence their decision within the framework of the performance of this Agreement and/or order related to this Agreement.

In the event of failure to comply with this Article, the non-defaulting Party shall automatically have the right to terminate the Agreement with immediate effect and without compensation, and without prejudice to any remedies the non-defaulting Party may have under this Agreement.



IN WITNESS WHEREOF, the undersigned have executed this Agreement to be effective as of the date set forth below.

Safran Helicopter Engines USA, Inc.

CITY OF FRESNO, a California municipal corporation

By: [Signature]

By: Georgeanne A. White
City Manager

Name: Thierry DERRIEN

Title: President & CEO
(If corporation or LLC., Board Chair, Pres. or Vice Pres)

By: Mindy Casto
Chief of Police

By: [Signature]

APPROVED AS TO FORM:
ANDREW JANZ
City Attorney

Name: MICKAEL LIDDELL

Title: CFO
(If corporation or LLC., CFO, Treasurer, Secretary or Assistant Secretary)

By: [Signature] 6/18/26
Jennifer M. Wharton
Deputy City Attorney Date

ATTEST:
TODD STERMER, MMC
City Clerk

By: _____
Deputy Date

APPENDIX B – LIST OF EQUIPMENT PROVIDED BY SAFRANHE USA UNDER TERMS OF AGREEMENT

SafranHE USA reserves the possibility of replacing a removed equipment by an “interchangeable” item, which might bear a different part number.

ARRIEL 2D

DESCRIPTION	A.T.A CODE
Module 01 assy - Accessory gearbox	72-61-00-01-001
Module 02 assy - Axial compressor	72-32-00-01-001
Module 03 assy - Gas generator	72-43-00-01-001
Module 04 assy - Power turbine	72-54-00-01-001
Module 05 assy - Reduction Gearbox	72-15-00-01-001
HP/LP pump and metering unit	73-23-00-01-010
Free Wheel Shaft Assembly	83-12-00-01-001
Oil Pump	79-24-00-01-010
Engine Electro Control Unit	71-00-00-01-003
Control and Monitoring Harness	72-00-00-01-010
Regulation Harness	71-51-00-01-020
Exhaust Pipe	72-70-00-01-001
Air Bleed Valve	75-31-00-01-050 /050A
Oil Valve Assembly / Equipped Valve Assembly	79-25-00-01-010
Adjusted Valve Assembly	73-14-00-01-100

ARRIUS 2F

DESCRIPTION	A.T.A CODE
Module 01 assy - Reduction gear module	72-11-00-01-001
Module 02 assy - Gas generator module	72-42-00-01-001
Fuel Control Unit	73-23-06-01-001
Control and Monitoring Harness	71-51-00-01-010
Exhaust Pipe	78-11-00-01-010
Diffuser Assembly Exhaust	72-42-20-01-030
Oil Pump	79-24-05-01-050
T 4.5 Junction/Conformation Box	72-42-00-01-010
Adjusted Valve Assembly	73-14-00-01-100
Fire Detection Harness	26-12-00-01-010
Fire Detection Harness	26-12-00-02-010
Left Hand Fuel Injector Manifold	73-15-00-01-070
Right Hand Fuel Injector Manifold	73-15-00-01-100
Preference Injector Manifold	73-15-00-01-180
OIL PUMP	79-21-00-01-010

APPENDIX C - ADDITIONAL SERVICES TERMS AND CONDITIONS

The following terms and conditions shall be applicable to the additional services mentioned in Article 5.1 and which refers to this Appendix C.

Non repairable Accessories and Consumables to prevent or answer to unscheduled events**1. Non repairable Accessories and Consumables delivery:**

In the frame of unscheduled events, and after acknowledgment of City of Fresno Police Department's order, SafranHE USA shall deliver the non-repairable Accessories and Consumables to replace the removed ones.

In the frame of scheduled inspections, SafranHE USA shall deliver the non-repairable Accessories and Consumables required by the maintenance manual.

These non-repairable Accessories and Consumables ordered by City of Fresno Police Department shall be delivered by SafranHE USA, in accordance with the conditions of delivery mentioned in article 8.1, once the Agreement has entered into effect and in accordance with the schedule defined by SafranHE USA and City of Fresno Police Department. Partial delivery is allowed.

The price of the non-repairable Accessories and Consumables in the frame of scheduled and unscheduled events is included in the Hourly Rate. Therefore, an invoice at zero (0) euro shall be issued by SafranHE USA at delivery.

The price calculated for this option has been based on a normal consumption (based on worldwide average). Shall City of Fresno Police Department's annual consumption be considered by SafranHE USA as unreasonable, and after having informed City of Fresno Police Department consequently, SafranHE USA reserves the right not to keep this option in the contract perimeter the following year. An amendment to this Agreement shall formalize this non-reconduction.

2. Interchangeability

At all times, SafranHE USA reserves the possibility of replacing a removed Accessory or Consumable by an "interchangeable" item, which might bear a different part number.

APPENDIX D - EXCLUDED EVENTS

The following, without limitation and unless specified otherwise in this Agreement, are not covered by this Agreement:

- Standard Exchange of Engine and Module;
- Rental of Module;
- Level 1 maintenance;
- Accessories as per maintenance manual (except where specifically covered under Appendix B and Appendix C hereto);
- Erosion (except where specifically covered under Appendix C hereto);
- FOD (except where specifically covered under Appendix C hereto);
- Standard Exchange of repairable Accessories and Accessories with TBO (except where specifically covered under Appendix B)
- Standard Exchange of Accessories with TBO (except where specifically covered under Appendix B);
- Standard Exchange of repairable Accessories (except where specifically covered under Appendix B);
- Unjustified Removal not confirmed by the Designated Center or its authorized representative assessment and/or anticipated return of Equipment;
- Repair or replacement of Equipment attributable to the Equipment not having been installed, maintained, operated in compliance with the OEM manuals;
- Repair or replacement of Equipment attributable to flight in sand-laden atmosphere, unscheduled removal consecutive to a sudden drop in EPC (Engine Power Check) margin, fouling of the gas passage areas, lightning strike, immersion in water, hard landing of or dropped Equipment, propeller electrical leads shorting, fire, theft, explosion, use of one Engine inoperated 30 second rating, incorrect storage protection, use of maximum contingency rating beyond the maximum limitation, overheating, sulfidation;
- Non-mandatory modifications;
- Transformation of the Equipment into another version, upgrade or conversion to another power rating, upgrade to standard;
- Military to civil conversion or civil to military conversion;
- Repair or replacement of Equipment attributable to the deterioration of a component belonging to the Aircraft;
- Repair attributable to, and/or Replacement of, missing parts, non-approved source parts, stolen parts in Equipment;
- Repair or replacement of Equipment resulting from a 'Parts Manufacturing Authority' component not installed by Safran Helicopter Engines, or from removal or defacing of Safran Helicopter Engines' name, identification mark, or serial number;
- Repair or replacement of Equipment attributable to prior repair or replacement at a servicing facility other than Safran Helicopter Engines approved center;
- Repair or replacement of parts attributable to missing or incomplete Equipment documentation;
- Repair or replacement of Equipment attributable to incidents, accidents during transport, handling, storage, packaging;
- Repair or replacement of Equipment attributable to Aircraft incidents and/or accidents that are not Safran Helicopter Engines' responsibility;
- Fuels or lubricant equipment, anti sand filters, fuel nozzle cleaning or performance recovery or desalination compressor washes (other than for those required for Equipment testing at Designated Center);
- Corrosion;
- Any other events not listed as covered under this Agreement in Article 5.

APPENDIX E - HOURLY AND CYCLE RATE APPLICABLE TO THIS AGREEMENT

Arrius 2F The hourly rate applicable in year 2026 at 2026 economic conditions, is set at \$284.49 USD (Two hundred and eighty-four dollars and forty-nine cents), VAT not included, per Operating Hour.

Arrius 2F The Cycle rate applicable in year 2026 at 2026 economic conditions, is set at \$13.18 USD (Thirteen dollars and eighteen cents), VAT not included, per Operating Cycle.

Arriel 2D The hourly rate applicable in year 2026 at 2026 economic conditions, is set at \$293.37 USD (Two hundred and ninety-three dollars and thirty-seven cents), VAT not included, per Operating Hour.

Arriel 2D The Cycle rate applicable in year 2026 at 2026 economic conditions, is set at \$20.33 USD (Twenty dollars and thirty-three cents), VAT not included, per Operating Cycle.

- **Early Enrollment Discount:**
 - New Arriel 2D engines are subject to a 20% Early Enrollment Discount if the engines are enrolled onto an SBH Agreement prior to Entry into Service (less than 25 Hrs. consumed)
 - The Early Enrollment Discount is effective for duration of the Warranty period of Three (3) years or 2000 Hours (whichever comes first).

If during contract duration, City of Fresno Police Department does not fulfill the discount requested conditions then SafranHE USA reserves the right to review the discount rate.

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

- **Annual Hourly and Cycle Rate escalation rate: Fixed at 4% per year for duration of the Agreement**

APPENDIX F - BUY-IN - BUY OUT

1- BUY-IN

The Buy-In Fee is set at \$0.0 USD (Zero dollars and Zero cents).
 This amount corresponds to the hours and Cycles already consumed at June, 06th of 2025.

- **Arrius 2F – Buy-In not applicable to engines currently enrolled under SBH Agreement #**
 - **Non-Zero time engines are subject to Buy-In according to terms of Article 4.3**

- **Arriel 2D – Buy-In is applicable if engine is NOT enrolled prior to Entry into Service**
 - **Buy-In value to be determined**

BUY-IN FEE SPLIT - Arriel 2D	
Buy-In rate - Mod & acc (catalogue)	\$223.44 USD /Flight hour
Module weight	91.88%
Accessories weight	8.1%
Ratio Buy-In Fee/ hourly rate (catalogue)	84.0%

Modules and accessories Weight

Engine Variant	ARRIEL 2D
Module1	8%
Module2	12%
Module3	55%
Module4	13%
Module5	12%
FWS	30%
HMU	70%

The Buy-In Fee shall be paid cash, according to the corresponding invoice.

2- BUY OUT TERMS & CONDITIONS

In case of expiration or termination of the Agreement and in accordance with Article 14.3, City of Fresno Police Department may be granted a buy-out (credit note).

The buy-out (credit note) amount shall be calculated adding:

For each module:

- the *buy-out reference rate multiplied by the number of hours consumed since last Overhaul or where the Equipment has not yet been subject to Overhaul, since first date of entry into operation and using the **Weighting Methodology.

For each Life Limited Part:

- the catalogue price of the new Life Limited Part multiplied by the number of Cycles consumed divided by the life limit of the part.

Depending on the termination reason or if expiration, the rate and price of Life Limited Part so defined shall be then decreased by the below percentage in order to define the buy-out reference rate:

- 10% in case of accident whose direct consequence is the hull and/or the Engines become non repairable, in case of sale of a covered engine and purchase of another engine under Safran Helicopter Engines SBH contract,
- 10% in case of contract expiry and in case of termination and immediate signature of another type of support contract with Safran Helicopter Engines,
- 30% in case of any other Agreement termination.

Definitions:

* The buy-out reference rate shall be defined using the ratio of 75.31% agreed and used at Agreement signature to determine the Buy-in reference rate (see here above Buy-in calculation) and by applying this ratio of 75.31% to the SBH rate in force at the date of expiry or termination.

** Weighting Methodology consists in giving a financial weight to each module as per above table as also used for Buy-in calculation

3- BUY-IN DETAILS

The total Buy-in Fee is detailed by Engine as follows:

	S/N	Consumed life	Buy-in (catalogue)
ENGINE 1: ARRIEL 2 D	12345		
Module 1		1	\$0.0
Module 2		1	\$0.0
Module 3		1	\$0.0
Module 4		1	\$0.0
Module 5		1	\$0.0
FWS		1	\$0.0
HMU		1	\$0.0
TOTAL MODULES AND ACCESSORIES			\$0.0 USD
Axial compressor		1	\$0.0
Centrifugal compressor		1	\$0.0
Injection Wheel		1	\$0.0
HP Turbine Disc		1	\$0.0
Free Turbine Disc		1	\$0.0
TOTAL LLP			\$0.0 USD
			\$0.0 USD

APPENDIX G - N/A

That the undersigned SafranHE USA, for and in consideration of the transfer this day by City of Fresno Police Department to SafranHE USA of certain property, and other goods and valuable consideration, the full receipt and sufficiency of which are hereby acknowledged and confessed, does hereby BARGAIN, SELL, AND DELIVER unto the City of Fresno Police Department, its successors and assigns all of the property described in Section II, and City of Fresno Police Department does hereby BARGAIN, SELL, AND DELIVER unto SafranHE USA, its successors and assigns all of the property described in Sections III, TO HAVE AND TO HOLD the property, together with all and singular rights and appurtenances thereunto in anywise belonging unto the delivering party, its successors and assigns. (Initial) City of Fresno Police Department hereby certifies that: (i) City of Fresno Police Department is the owner of the property; (ii) the property described is free of any liens or encumbrances; and (iii) while the property remains subject to this transfer no liens or encumbrances shall arise. City of Fresno Police Department further certifies that the status of any property subject to a lien or encumbrance has been properly updated to reflect the release of the lien or encumbrance in any domestic or international registry system. Specified Equipment in Section III shall be complete, including updated logbook or log cards, in packaging which conforms to the manufacturer's specification for long distance freight, to SafranHE USA using one of the following shipment options: (1) The City of Fresno Police Department shall ship at its own risk and expense Specified Equipment to SafranHE USA; or (2) The City of Fresno Police Department has the option of using the SafranHE USA pick-up service and be invoiced per the applicable charges according to the pick-up service price list; providing necessary information to arrange the pick-up. Specified Equipment must be packaged as outlined herein above, including carrier documentation for transportation purpose and any form transmitted by SafranHE USA when applicable and made available to the freight service for pick-up (FCA conditions 2010 incoterms at City of Fresno Police Department's facility). If signer is not the owner of the property, but is an agent-in-fact on behalf of the City of Fresno Police Department ("Agent"), Agent certifies and warrants that: (i) it has the authorization to sign on behalf of City of Fresno Police Department (ii) it has the authority to transfer ownership of the property on behalf of the City of Fresno Police Department and (iii) it shall indemnify and hold SafranHE USA harmless against any damage or loss suffered because of a breach of this Bill of Sale to the Certificate of Title Transfer.(Initial) Specified Equipment in Section III must be shipped to SafranHE USA or available to the freight service for pick-up along with logbook or log cards within ten (10) days from receipt of shipment or as per terms of current contract. Beyond this time limit, City of Fresno Police Department or "Agent" shall pay a daily fee of \$300.00 per day for Engine/Modules and \$100.00 per day for HMU/FCU in addition to the applicable exchange price determined at the point of sale. Failure to return a core asset after forty-five (45) days will result in a complete cancellation of the exchange agreement and the City of Fresno Police Department will be invoiced the full catalog price plus late penalties of the asset.

City of Fresno Police Department AUTHORIZATION:
SafranHE USA AUTHORIZATION:

Name:
Title:

Date:

Signature:

Name:
Title:

Date:

Signature:



APPENDIX I - MONTHLY OPERATING REPORT

Date: June, 06th of 2025
 Operator: City of Fresno Police Department
 Contract No.: C-SBH-SafranHEUSA-2025-BT-2
 Engine Type: ARRIEL 2D, ARRIUS 2F

REPORTING MONTH:													
ENGINE	S/N		Hours		Cycles		Usage		INSTALLATION		AIRCRAFT		LOCATION
	S/N	TSN/TSO	TSN/TSO	Usage	CSN	CSN	Usage	Installed	Removed	TYPE	S/N	REGISTRATION	
Engine													
Module 1													
Module 2													
Module 3													
Module 4													
Module 5													
HMU/FCU													
Engine													
Module 1													
Module 2													
Module 3													
Module 4													
Module 5													
HMU/FCU													

HOURS DECLARED = WHOLE NUMBERS

COMPLETE FLEET OF ENGINE MUST BE INDICATED (INCLUDING NON FLYING OR SPARE ENGINES)

THIS MONTHLY OPERATING REPORT IS DUE BEFORE THE 10th OF EVERY MONTH

TSN IS TO BE PROVIDED ONLY FOR ENGINES WITHOUT TSO AND COVERED BY THIS AGREEMENT

APPENDIX K - EQUIPMENT REMOVAL REPORT

Date: June, 06th of 2025
 Operator: City of Fresno Police Department
 Contract No: C-SBH-SafranHEUSA-2025-BT-2
 Engine Type: ARRIEL 2D, ARRIUS 2F

AIRCRAFT		ENGINE			
TYPE	S/N	TYPE	S/N	TSN/TSO	CSN

REMOVED EQUIPMENT					
DATE OF REMOVAL :					
	VARIANTS	P/N	S/N	TSN/TSO	CSN
ENGINE					
MODULE 1					
MODULE 2					
MODULE 3					
MODULE 4					
MODULE 5					
COMPONENT DESIGNATION					
SYMPTOMS					
POSSIBLE CAUSE OF EVENT					
FIELD RECOMMENDATIONS	REP				
REPLACEMENT EQUIPMENT FITTED (IF SPARES)					

APPENDIX L – SAMPLE LEASE AGREEMENT

This lease agreement (hereinafter referred to as “the Lease Agreement”) is entered into this *****

Between

Safran Helicopter Engines USA, Inc (“SafranHE USA”),

A company incorporated under the Laws of United States of America with registration number 75-1711969 and whose registered office is at 2709 Forum Drive, Grand Prairie, Texas 75052, United States of America, and represented by Mr. Thierry DERRIEN acting as President & Chief Executive Officer.

And

City of Fresno Police Department (“LESSEE”)

A company incorporated under the Laws of United States of America with registration number XXXX and whose registered office is at 4941 E. Anderson Suite B-101, 93727 ,California, Fresno, United States of America and represented by XXXX acting as XXXX.

Hereinafter collectively referred to as “the Parties”.

1. PURPOSE AND SCOPE

Pursuant to the SBH Agreement, Reference No. C-SBH-SafranHEUSA-2025-BT-2, signed between the Parties on the June, 06th of 2025 (hereinafter referred to as "the Agreement"), SafranHE USA may, as part of the Services provided under the Agreement, lease to Lessee certain engines, modules and accessories (hereinafter referred to as "Leased Equipment").

The purpose of this Lease Agreement is to set forth the specific terms and conditions governing each leasing of Leased Equipment (hereinafter referred to as a "Lease") made in accordance with the Agreement.

The particular of each Lease shall be detailed in a Lease Equipment Form, as appended hereto, to be executed by the Parties prior to any Leased Equipment being shipped to the Lessee.

The provisions of this Lease Agreement are supplemental to the Agreement which terms shall, where relevant, apply to this Lease Agreement and to each Lease and are hereby incorporated by reference.

For the purpose of this Lease Agreement, SafranHE USA, at its sole discretion, shall furnish newly manufactured, remanufactured or used Leased Equipment which shall be deemed to be airworthy.

2. TERM

This Lease Agreement shall become effective upon its signature by both Parties and the entry into force of the Agreement and shall be automatically terminated upon expiration or termination of the Agreement.

Current Lease(s) shall automatically terminate upon termination of this Lease Agreement.

3. FEES

The provision of Leased Equipment is part of the Services offered under the Agreement and accordingly shall be covered by the pricing conditions set forth in Article 11.1 and Appendix E thereof.

SafranHE USA may require the Lessee to present a deposit prior to Leased Equipment being delivered under this Lease. In the event a deposit is required the following conditions shall apply:

1. Deposit amount shall be determined by SafranHE USA prior to execution of the Lease Equipment Form.
2. Deposit shall remain in a non-interest bearing account with SafranHE USA until such time as the Leased Equipment has been returned in accordance with the Section 6 below.
3. Provided the Lessee has complied with all obligations under Section 8, the deposit shall be returned to the Lessee by SafranHE USA.

4. OPERATION OF EQUIPMENT

- a. Leased Equipment shall only be permitted for use in regular commercial or corporate service, in compliance with the applicable SafranHE USA Engine Maintenance Manuals and operating instructions.
- b. Unless otherwise consented to in writing by SafranHE USA, Lessee shall operate Leased Equipment only in (hereinafter referred to as "the Territory"). Any operation of the Leased Equipment outside such Territory shall induce immediate termination of the Lease.
- c. Lessee shall permit only licensed operators to fly the Aircraft fitted with Leased Equipment.
- d. Lessee shall carry out Field and/or Modular Maintenance (Level 1 and 2), as applicable in accordance with the Agreement and shall keep updated records of maintenance and performance in accordance with the SafranHE USA Maintenance Manuals and written instructions. The Lessee shall obtain SafranHE USA's written approval prior to performing any other maintenance activity on the Leased Equipment.
- e. Lessee shall not permit any Leased Equipment to be used in violation of any governmental laws, ordinances, rules, regulations, or contrary to the provision of any applicable insurance policy.

- f. Lessee shall indemnify and hold SafranHE USA and its Affiliates and each of their respective directors, officers, employees and insurers harmless from any and all fines, forfeitures, damages or penalties resulting from violation of such laws, ordinances, rules or regulations.
- g. Lessee shall notify SafranHE USA immediately of any and all accidents involving Leased Equipment. Such notice shall be in writing and include full details of the accident and the names and addresses of all parties and witnesses. Lessee shall keep SafranHE USA and its insurers fully informed of all claims, suits or proceedings arising out of any accident involving Leased Equipment. Lessee shall forward to insurer and SafranHE USA a copy of every demand, notice, summons or other process received in connection with any and all claims, suits or other legal proceedings resulting from an accident involving Leased Equipment.

5. REPAIRS AND MAINTENANCE

- a. Lessee shall be responsible for all charges and expenses arising out of the operation of the Leased Equipment, as set forth under Article 11 of the Agreement.
- b. In addition, Lessee shall be responsible for all expenses arising out of any Leased Equipment failures caused by:
 - 1. Lessee failing to operate Leased Equipment in accordance with the applicable Manuals and procedures;
 - 2. Lessee's negligence with respect to Leased Equipment;
 - 3. Lessee's failure to properly transport, store, install, maintain, or utilize Leased Equipment in accordance with the Agreement and the current operating recommendation and directions of SafranHE USA;
 - 4. Any other events defined in Appendix D of the Agreement as Excluded Events.
- c. SafranHE USA shall invoice Lessee and Lessee shall be liable for and shall pay to SafranHE USA all amounts incurred by SafranHE USA to repair or overhaul Leased Equipment due to any of the above-described causes.

6. OWNERSHIP OF LEASED EQUIPMENT

- a. This is a lease only and shall not in any way be construed as a contract or agreement for the sale of Leased Equipment.
- b. Lessee acknowledges and agrees that SafranHE USA is the owner of all Leased Equipment hereunder, all of which shall remain subject to possession and control by SafranHE USA.
- c. Lessee further acknowledges and agrees that it has the possessory right to use and operate the Leased Equipment, which possessory right shall be forfeited upon return of the Leased Equipment or termination or expiration of this Lease Agreement in any manner.
- d. Lessee shall not sell, transfer, sublease or pledge as security any Leased Equipment covered by this Lease Agreement and shall neither make nor permit any alterations to Leased Equipment without the prior written consent of SafranHE USA.
- e. Lessee shall not relocate the Leased Equipment to a site other than that where the Leased Equipment was first delivered without the prior written consent of SafranHE USA, which such consent may be withheld by SafranHE USA for any reason whatsoever.
- f. Lessee shall provide to SafranHE USA prior written notice of any change in the ownership or identity of Lessee upon which SafranHE USA shall have the option of immediately terminating current Lease(s) upon written notice to Lessee.
- g. Lessee shall be responsible for all risk of loss to Leased Equipment during the term of a Lease.
- h. SafranHE USA may substitute Leased Equipment of like kind and quality for any of the Leased Equipment covered under a Lease. Lessee shall afford SafranHE USA unrestricted access to the Leased Equipment.

7. DELIVERY

- a. The Lessee shall provide SafranHE USA with the airway bill evidencing the shipping of Lessee's Equipment to be repaired or overhauled in accordance with the Agreement, prior to shipment of the Leased Equipment by SafranHE USA to the Lessee whenever the Lessee's Equipment is under AOG.
- b. SafranHE USA reserves the right to make the same request as above in writing in any other circumstances.
- c. Lessee's Equipment shall be delivered to SafranHE USA for Services to be performed in accordance with Article 9 of the Agreement.
- d. Subject to the above conditions a) and b) and receipt of the deposit by SafranHE USA where applicable, Leased Equipment shall be delivered to the Lessee in accordance with Article 8 of the Agreement.

8. RETURN OF LEASED EQUIPMENT

The Lessee shall comply with the following return of Leased Equipment stipulations:

- a. Upon expiration or termination of each Lease or this Lease Agreement, Leased Equipment shall be returned forthwith and without delay, at Lessee's expense, to SafranHE USA Designated Center in accordance with the Agreement.
- b. Lessee shall return Leased Equipment in the same condition as when received by Lessee, ordinary wear and tear excepted. If Leased Equipment is returned in unsatisfactory condition, after inspection by SafranHE USA, Lessee shall pay as an additional charge any and all costs incurred by SafranHE USA to clean, repair and replace any damage to Leased Equipment.
- c. Leased Equipment is leased as complete and acknowledged as such by Lessee. Lessee shall return Leased Equipment in like configuration. Lessee shall pay as an additional charge any and all cost incurred by SafranHE USA to replace any missing parts in accordance with Article 11.3 of the Agreement.
- d. Lessee shall return Leased Equipment to SafranHE USA within fifteen (15) calendar days following the expiration or termination of corresponding Lease or of this Lease Agreement for any reason. In the event Lessee fails to return Leased Equipment within said fifteen (15) calendar days period, without prejudice to SafranHE USA's other rights and remedies, an amount equal to 300 USD (three hundred US Dollars) per calendar day shall be assessed against Lessee for each day until Leased Equipment is returned to SafranHE USA.
- e. Prior to Lessee removing Leased Equipment from Lessee's Aircraft, Lessee shall carry out the following checks in accordance with the SafranHE USA Maintenance Manual and Article 5.4.5 of the Agreement: i) Ground Run Checks in accordance with Maintenance Manual Chapter 71; (ii) Vibration Checks in accordance with Maintenance Manual Chapter 71; (iii) Usual checks after last daily flight in accordance with Maintenance Manual Chapter 5; and (iv) Power Assurance Check in accordance with Flight Manual; and (v) FCU or HMU Characteristics Control in accordance with Maintenance Manual chapter 73; and (vi) Rear bearing permeability check in accordance with Maintenance Manual chapter 72. Such checks shall be recorded using the Post Rental Checks form as referenced in the Agreement under Appendix 2 of this Lease Agreement. Such form, upon being fully completed, shall be sent to SafranHE USA as soon as the checks have been carried out.
- f. Lessee shall record in the logbook power ratings as confirmed prior to Leased Equipment removal.
- g. Lessee's failure to perform, record and report the power assurance checks referred to in e) above will result in Lessee being subject to and liable for an additional charge in an amount corresponding to the cost incurred by SafranHE USA to perform the necessary checks.
- h. Upon return of the Leased Equipment, SafranHE USA shall inspect said Leased Equipment and if applicable shall invoice Lessee for any missing, replaced or damaged components or accessories in accordance with the current SafranHE USA Price list.

9. LIABILITY

Lessee shall be fully responsible for and shall indemnify SafranHE USA, its officers, directors, employees or insurers in respect of loss of or damage to any Leased Equipment under its custody and control pursuant to the terms of this Lease Agreement.

Lessee shall be fully responsible for, shall indemnify and shall waive all rights of recourse against SafranHE USA, its officers, directors, employees or insurers in respect of any and all claims, losses, liabilities, suits, judgements, expenses and costs (including attorney fees) or the like in any way connected with the death of or injury to any person whomsoever, or loss of or damages to any property of any person, entity or company when arising out of, or having its origin in the Leased Equipment.

10. INSURANCE

Lessee shall take out and maintain in force the following insurance:

All Risk Rental Equipment Insurance

Lessee shall include the Leased Equipment in its Aircraft third party liability insurance policy and shall take out and maintain an all risk insurance with respect to the Leased Equipment and all parts therein both when installed on an Aircraft and while removed from an Aircraft for the full value of the Leased Equipment with Lessee responsible for payment of any applicable deductibles and a delegation of insurance indemnity to SafranHE USA settled.

Such insurance shall include a breach of warranty cover and SafranHE USA must be added as an additional insured and sole loss payee and shall receive at least thirty (30) Days' prior notice in the event of cancellation or modification to the policy limits. The policy 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.

Upon request by SafranHE USA, Lessee shall provide certificate of insurance as per the above provisions.

All insurance policies referred to in this article shall contain the indemnity, hold harmless and waiver of subrogation provisions contained under article 9 in favor of SAFRAN HELICOPTER ENGINES, its officers, directors, employees and insurers. Lessee shall supply SafranHE USA with certificates of insurance evidencing that such waiver, indemnity and hold harmless provisions are agreed by Lessee's insurers.

11. TERMINATION

Without prejudice to its other rights and remedies, SafranHE USA may immediately terminate current Lease(s) by written notice if Lessee is in breach of any of its obligations under this Lease Agreement and SafranHE USA has served written notice of the breach to Lessee specifying the facts giving rise to the same; and Lessee fails to remedy the breach within thirty (30) Days after receipt of the above mentioned written notice.

For the purposes of this article, a breach of the Lessee's obligations of Customer shall include (without limitation) the following events:

1. Lessee fails to deliver within fifteen (15) calendar Days from the date of receipt of the Leased Equipment, its Lessee's Equipment that is to be repaired or overhauled.
2. Lessee fails to provide its authorization to perform such repair or overhaul Services within fifteen (15) calendar Days following its receipt of SafranHE USA's cost estimate for such repair or overhaul.
3. SafranHE USA deems its ability to recover the Leased Equipment to be in jeopardy.

12. APPLICABLE LAW – JURISDICTION

This Lease Agreement shall be subject to, governed by and interpreted in accordance with US law excluding its provisions on conflict of laws.

Any dispute that the Parties fail to resolve amicably within a time period of one (1) month as of its notification, shall be brought exclusively before the Courts of Tarrant County, Texas, USA.

For SafranHE USA

Name:

Title:

Signature:

For City of Fresno Police Department:

Name:

Title:

Signature:

APPENDIX 1

SAMPLE SafranHE USA Leased Equipment Form

1. Pursuant to the Lease Agreement under the SBH Agreement no. C-SBH-SafranHEUSA-2025-BT-2 signed between the Lessee and SafranHE USA, to which this Leased Equipment Form is appended as Appendix 1, all particular pertaining to the Leased Equipment and the Lessee's Equipment being returned to SafranHE USA for repair or overhaul Services are recorded below.

Leased Equipment:

Engine/Module* Type: xxx

Serial Number: xxx

TSN/TSO: xxx

CSN/CSO: xxx

Lesse Property:

Engine/Module Type: xxx

Serial Number: xxx

TSN/TSO: xxx

Reason for Removal: xxx

(Note*: please state if ECU is included or not)

Both Parties understand and agree that the above information is true and accurate and shall only be altered or modified in writing by signing a new Leased Equipment Form.

2. In accordance with Section 3 of the Lease Agreement, SafranHE USA requires Lessee to present a deposit prior to shipment of Leased Equipment. All information pertaining to the deposit shall be recorded below.

Deposit amount required: xxx

For SafranHE USA

Name:

Title:

Signature:

For LESSEE

Name:

Title:

Signature:

APPENDIX 2

RENTED EQUIPMENT PRE-REMOVAL CHECKS

Results to be sent to SafranHE USA

SAFRAN HE site address:	Customer order Date:												
Customer: Address:													
Tél. N°:	Fax N°: Email:												
Helicopter type: Registration N°:													
Equipment type:	P/N: S/N:												
At installation	<table border="1" style="width:100%; border-collapse: collapse;"> <tr> <th style="width:10%;">Date</th> <th style="width:10%;">TSN</th> <th style="width:10%;">TSO</th> <th style="width:10%;">CSN</th> <th style="width:10%;">CSO</th> <th style="width:10%;">Oil type</th> </tr> <tr> <td> </td> <td> </td> <td> </td> <td> </td> <td> </td> <td> </td> </tr> </table>	Date	TSN	TSO	CSN	CSO	Oil type						
Date	TSN	TSO	CSN	CSO	Oil type								
At removal	<table border="1" style="width:100%; border-collapse: collapse;"> <tr> <th style="width:10%;">Date</th> <th style="width:10%;">TSN</th> <th style="width:10%;">TSO</th> <th style="width:10%;">CSN</th> <th style="width:10%;">CSO</th> <th style="width:10%;">Oil type</th> </tr> <tr> <td> </td> <td> </td> <td> </td> <td> </td> <td> </td> <td> </td> </tr> </table>	Date	TSN	TSO	CSN	CSO	Oil type						
Date	TSN	TSO	CSN	CSO	Oil type								

DESCRIPTION OF INSPECTIONS TO BE PERFORMED BEFORE REMOVAL

Isolated module : the engine power check is required only for the gas generator module

- 1- Ground run inspection in compliance with Maintenance Manual chapter 71. (please attach records)
 - 2- Vibrations inspection in compliance with Maintenance Manual chapter 71. (please attach records)
 - 3- Inspection after last flight of the day in compliance with Maintenance Manual chapter 5 if applicable. (please attach the inspection sheet)
 - 4- Engine power check in compliance with Flight Manual (please provide the last 3 powers checks)
- Nota Bene: Please insert the Engine and/or Module's Pn and/or Sn each sheet of this form.

DESCRIPTION OF INSPECTIONS TO BE PERFORMED BEFORE REMOVAL OF ISOLATED FCU / HMU

ARRIEL 1 - FCU:

- 1 - FCU characteristics test
- 2 - Leak test of deceleration control unit

ARRIEL 2 - HMU Single Channel:

- 1 - Check Combined Regulation Mode and Emergency Mode (Flight Manual)
- 2 - Inspection and test of leakage

ARRIEL 2 HMU - Double Channel:

- 1 - Check of Manual Mode (Flight Manual)
- 2 - Functional test with channel B
- 3 - Inspection and test of leakage

ARRIUS 1:

- 1 - Leak Check at the HP pump / metering unit drain pipe
- 2 - Check of stop electro valve

ARRIUS 2 - HMU:

- 1 - Check of Manual Mode (Aircraft Maintenance Manual)

ARRIUS 2 F - FCU:

- 1 - Test of functional point of hydro-mechanical governor

MAKILA 1:

- 1 - Check of static droop line

APPENDIX M - CUSTOMER AUTHORIZATION FOR ACCESS TO DATA FOR HEALTH MONITORING SERVICE

For whom it may concern,

I, _____, representing _____, hereby authorize SafranHE to access to the data collected by the Data Collection System / Flight Data Recorder installed on my Aircraft for the use of the Health Monitoring service ("HM Service") under the SBH agreement N° ***** dated of ***** between Safran Helicopter Engines **** ("SafranHE") and *****.

Date:

Signature:

APPENDIX N – PERSONAL DATA PROTECTION

The definitions below only apply to the following “Protection of Personal Data” provision:

The terms “(Personal) Data”; “Data Controller”; “Processor”; “Data Processing”; “Data Subject ”; and “Protection Authority” have the same meaning as in the European regulation 2016/679 on Personal Data protection (GDPR);

“Applicable Regulations”: all regulations and laws that apply to personal data that may be subject to Processing, including the GDPR;

“Secondary Service Provider”: a natural person or judicial entity, public authority, department or any other organization that processes Data on behalf of the Service Provider.

1. **Applicable Data protection principles**

SafranHE and Customer are identified as Non-Joint Controller for their own Data Processing and agree to treat any Data in accordance with any applicable Processing Regulations.

As part of the Service involving Data Processing, SafranHE and Customer implement Data Processing with the following purposes:

Data Processing (s) implemented by SafranHE:

The nature and purpose of the Data Processing are: to open access to Customer to the HM Service, to report on the utilization by Customer of the HM Service, to inform Customer by email of actions to the HM Service, to help in case of abnormalities

The categories of processed Data are:

- Customer information (Name, email and/or phone number) that will be recorded by SafranHE for processing on their servers and shall not be communicated to any third parties
- User Data such as login date, time of use, email traces of the app Users, company of the User and duration of use, that may be recorded by SafranHE for reporting purposes as well as for improvement of the Service only and shall not be communicated to any third parties

Data Processing (s) implemented by Customer:

Customer is responsible for the Data Processing of SafranHE’s employees Personal Data regarding the realization of the HM service.

2. **Common obligations of the Parties**

Both Parties undertake to:

- fulfil the obligations falling on each Party in application of the Applicable Regulations;
- take measures to ensure that the people acting under their respective authority comply with this clause and are subject to a confidentiality obligation;
- base its own Data Processing on a legal basis in accordance with the Applicable Regulations;
- communicate, in particular in accordance with articles 13 and 14 of the GDPR, to each Data Subject of its own Data Processing the mandatory information provided by the Applicable Regulations and to transmit to the other Party as much as possible the information necessary for it to be able to comply with the Applicable Regulations for the Data Subjects under its own Data Processing;
- inform the persons acting under its authority of any Processing of their Data implemented by SafranHE for the fulfilment of this Agreement;

- process the Data relating to its own Processing for the purpose and for the period strictly necessary;
- take all necessary technical and organizational measures to ensure a level of security appropriate to the risk and to protect the security and confidentiality of the Data and in particular to protect it from destruction, loss, alteration, unauthorized disclosure or access, in an accidental or unlawful manner, and against all other unlawful forms of Data Processing;
 - use only Processor who comply with Applicable Regulations and are able to guarantee the confidentiality and security of the Data Processing provided under this Amendment by implementing technical and organizational measures at least equivalent to those set out in this contract;
 - inform the other Party by any means as soon as possible if an application for the exercise of the rights of a Data subject is made to it with regard to the Processing of the other Party;
 - inform by any means as soon as possible the other Party if it considers or has reason to consider that the Data Processing (s) of the other Party are being implemented in violation of the Applicable Regulations;
 - inform the other Party as soon as possible after the discovery, the occurrence of any Data Breach having direct or indirect consequences on the Data Processing;
 - supervise any Data Transfer by the prior signature between SafranHE and Customer of a standard contract called "Standard Contractual Clauses for Data Controller to Processor", by Binding Corporate Rules set up by Customer or by any other binding legal instrument governing such transfer where Customer is not established in the European Union or a third country whose data protection legislation has been recognized as adequate by the European Commission;
 - cooperate with the competent personal Data Protection Authorities;
 - promptly inform the other Party as soon as it receives a request from an administrative or judicial authority concerning the Data relating to the Service, subject to the obligatory statutory provisions;
 - delete the Data and not keep any copy of Data at the end of the set retention period agreed upon with the other Party for the purposes for which it has been collected, except in the case of mandatory legal provisions to the contrary. Proof of the destruction of the Data shall be given in a report.

Each Party communicates to the other the contact details of its Data Protection Officer or the person in charge of the subject.

For Customer: [to be completed]

For SafranHE: dpo.she@safrangroup.com

3. Business management and monitoring of contractual relationships

Notwithstanding the qualification of the Parties under this clause, the Parties are defined as Non-Joint Data Controllers in the management of their respective client/supplier files and undertake to comply with the Applicable Regulations for this Data Processing.