

SERVICE AGREEMENT

This Service Agreement ("Agreement") is dated October 22, 2024 and is between DFC, Inc., a California corporation, dba Advanced Helicopter Services, whose address is 17986 County Road 948, Woodland, CA 95695 ("Contractor"), and the County of Fresno, a political subdivision of the State of California ("County").

Recitals

A. The County, through its Sheriffs Office, needs a contractor to provide maintenance services for its Air Support Unit located at 5029 E Andersen Avenue, Fresno, CA 93727, that consists of two (2) MD500E helicopters, one (1) MD 530F helicopter, and one (1) Cessna T206H airplane.

B. The scope of work encompasses aviation maintenance management, scheduled airframe inspections, critical component services and repairs, critical component services and repairs, powerplant repair and overhaul, and airframe inspections and repairs.

C. The Contractor has provided these services to County since 2016, and most recently pursuant to County Agreement No. 21-134.

D. During the most recent request for maintenance contract bids through a Request for Quotation (RFQ) in August 2024 (RFQ No. 25-009), the Contractor was selected to be the vendor with the lowest bid that meets the County's requirements for Air Support Unit Maintenance.

E. The Contractor represents that it has the professional expertise and necessary licensing to provide these maintenance services.

The parties therefore agree as follows:

Article 1

Contractor's Services

1.1 **Scope of Services.** The Contractor shall perform all of the services provided in Exhibit A to this Agreement, titled "Scope of Services."

1.2 **Representation.** The Contractor represents that it is qualified, ready, willing, and able to perform all of the services provided in this Agreement.

1.3 **Compliance with Laws.** The Contractor shall, at its own cost, comply with all applicable federal, state, and local laws and regulations in the performance of its obligations under this Agreement, including but not limited to workers compensation, labor, and confidentiality laws and regulations.

Article 2

County's Responsibilities

2.1 The County shall appoint the Sheriff-Coroner-Public Administrator of Fresno County, or their designee, as County's Contract Administrator for this Agreement, who will coordinate all activities with the Contractor. The Contract Administrator shall have full authority to make decisions on behalf of the County concerning this Agreement, in accordance with the terms of this Agreement, with the exception of amending or terminating this Agreement or increasing the County's fiscal year total compensation maximums.

2.2 The Fresno County Sheriff's Office Air Support Unit operates one (1) MD530F helicopter, two (2) MD500E helicopters, and one (1) Cessna T206H airplane, which must be maintained, serviced, and repaired in accordance with all applicable Federal Aviation Regulations.

Article 3

Compensation, Invoices, and Payments

3.1 The County agrees to pay, and the Contractor agrees to receive, compensation for the performance of its services under this Agreement in accordance with fees and rates as described in Exhibit B for services, including parts ordered through the Contractor and provided to the County in accordance with the terms of this Agreement.

3.2 **Maximum Compensation.** The maximum compensation payable to the Contractor under this Agreement is eight million dollars (\$8,000,000) during the entire term of this Agreement, including the two extension periods, if applicable. It is understood that all expenses incidental to the Contractor's performance of Services under this Agreement shall be borne by the Contractor. The Contractor acknowledges that the County is a local government entity, and does so with notice that the County's powers are limited by the California Constitution and by

State law, and with notice that the Contractor may receive compensation under this Agreement only for services performed according to the terms of this Agreement and while this Agreement is in effect, and subject to the maximum amount payable under this section. The Contractor further acknowledges that County employees have no authority to pay the Contractor except as expressly provided in this Agreement.

3.3 **Invoices.** The Contractor shall submit monthly invoices to the County of Fresno Sheriff's Business Office, 2200 Fresno Street, P.O. BOX 1788, Fresno, CA 93717, as applicable, at the address set forth and/or via email to Sheriff.Payables@fresnosheriff.org in this section of this Agreement, not later than 30 days after the end of the month in which Services are rendered. The Contractor shall submit each invoice within 30 days after the month in which the Contractor performs services and in any case within 30 days after the end of the term or termination of this Agreement.

3.4 **Payment.** The County shall pay each correctly completed and timely submitted invoice within 45 days after receipt. The County shall remit any payment to the Contractor's address specified in the invoice.

3.5 **Incidental Expenses.** The Contractor is solely responsible for all of its costs and expenses that are not specified as payable by the County under this Agreement.

Article 4

Term of Agreement

4.1 **Term.** This Agreement is effective retroactive to October 1, 2024, and will expire on September 30, 2027, unless earlier terminated per the terms of this Agreement. This Agreement is for five (5) consecutive years, which includes a three-year base contract and two (2) optional one-year extensions, except as provided in Article 6, "Termination and Suspension," below.

4.2 **Extension.** The term of this Agreement may be extended for no more than two, one-year periods only upon written approval of both parties at least 30 days before the first day of the next one-year extension period. The Sheriff or his or her designee is authorized to sign the written approval on behalf of the County based on the Contractor's satisfactory performance. The extension of this Agreement by the County is not a waiver or compromise of any default or

1 breach of this Agreement by the Contractor existing at the time of the extension whether or not
2 known to the County.

3 **Article 5**

4 **Notices**

5 5.1 **Contact Information.** The persons and their addresses having authority to give and
6 receive notices provided for or permitted under this Agreement include the following:

7 **For the County:**

8 Air Support Unit - Commander
9 County of Fresno
2200 Fresno Street
Fresno, CA 93721
10 Sheriff.Payables@fresnosheriff.org
Fax: 559-600-8318

11 **For the Contractor:**

12 Director of Services
DFC, Inc. dba Advanced Helicopter Services
13 17986 County Road 94B
Woodland, CA 95695
14 adam@advheli.com
Fax: 560-669-7547

15 5.2 **Change of Contact Information.** Either party may change the information in section
16 5.1 by giving notice as provided in section 5.3.

17 5.3 **Method of Delivery.** Each notice between the County and the Contractor provided
18 for or permitted under this Agreement must be in writing, state that it is a notice provided under
19 this Agreement, and be delivered either by personal service, by first-class United States mail, by
20 an overnight commercial courier service, by telephonic facsimile transmission, or by Portable
21 Document Format (PDF) document attached to an email.

22 (A) A notice delivered by personal service is effective upon service to the recipient.

23 (B) A notice delivered by first-class United States mail is effective three County
24 business days after deposit in the United States mail, postage prepaid, addressed to the
25 recipient.

26 (C) A notice delivered by an overnight commercial courier service is effective one
27 County business day after deposit with the overnight commercial courier service,
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1 delivery fees prepaid, with delivery instructions given for next day delivery, addressed to
2 the recipient.

3 (D) A notice delivered by telephonic facsimile transmission or by PDF document
4 attached to an email is effective when transmission to the recipient is completed (but, if
5 such transmission is completed outside of County business hours, then such delivery is
6 deemed to be effective at the next beginning of a County business day), provided that
7 the sender maintains a machine record of the completed transmission.

8 **5.4 Claims Presentation.** For all claims arising from or related to this Agreement,
9 nothing in this Agreement establishes, waives, or modifies any claims presentation
10 requirements or procedures provided by law, including the Government Claims Act (Division 3.6
11 of Title 1 of the Government Code, beginning with section 810).

12 **Article 6**

13 **Termination and Suspension**

14 **6.1 Termination for Non-Allocation of Funds.** The terms of this Agreement are
15 contingent on the approval of funds by the appropriating government agency. If sufficient funds
16 are not allocated, then the County, upon at least 30 days' advance written notice to the
17 Contractor, may:

18 (A) Modify the services provided by the Contractor under this Agreement; or

19 (B) Terminate this Agreement.

20 **6.2 Termination for Breach.**

21 (A) Upon determining that a breach (as defined in paragraph (C) below) has
22 occurred, the County may give written notice of the breach to the Contractor. The written
23 notice may suspend performance under this Agreement, and must provide at least 30
24 days for the Contractor to cure the breach.

25 (B) If the Contractor fails to cure the breach to the County's satisfaction within the
26 time stated in the written notice, the County may terminate this Agreement immediately.

27 (C) For purposes of this section, a breach occurs when, in the determination of the
28 County, the Contractor has:

- (1) Obtained or used funds illegally or improperly;
- (2) Failed to comply with any part of this Agreement;
- (3) Submitted a substantially incorrect or incomplete report to the County; or
- (4) Improperly performed any of its obligations under this Agreement.

6.3 **Termination without Cause.** In circumstances other than those set forth above, the County may terminate this Agreement by giving at least 30 days advance written notice to the Contractor.

6.4 **No Penalty or Further Obligation.** Any termination of this Agreement by the County under this Article 6 is without penalty to or further obligation of the County.

6.5 **County's Rights upon Termination.** Upon termination for breach under this Article 6, the County may demand repayment by the Contractor of any monies disbursed to the Contractor under this Agreement that, in the County's sole judgment, were not expended in compliance with this Agreement. The Contractor shall promptly refund all such monies upon demand. This section survives the termination of this Agreement.

Article 7

Independent Contractor

7.1 **Status.** In performing under this Agreement, the Contractor, including its officers, agents, employees, and volunteers, is at all times acting and performing as an independent contractor, in an independent capacity, and not as an officer, agent, servant, employee, joint venturer, partner, or associate of the County.

7.2 **Verifying Performance.** The County has no right to control, supervise, or direct the manner or method of the Contractor's performance under this Agreement, but the County may verify that the Contractor is performing according to the terms of this Agreement.

7.3 **Benefits.** Because of its status as an independent contractor, the Contractor has no right to employment rights or benefits available to County employees. The Contractor is solely responsible for providing to its own employees all employee benefits required by law. The Contractor shall save the County harmless from all matters relating to the payment of

1 Contractor's employees, including compliance with Social Security withholding and all related
2 regulations.

3 7.4 **Services to Others.** The parties acknowledge that, during the term of this
4 Agreement, the Contractor may provide services to others unrelated to the County.

5 **Article 8**

6 **Indemnity and Defense**

7 8.1 **Indemnity.** The Contractor shall indemnify and hold harmless and defend the
8 County (including its officers, agents, employees, and volunteers) against all claims, demands,
9 injuries, damages, costs, expenses (including attorney fees and costs), fines, penalties, and
10 liabilities of any kind to the County, the Contractor, or any third party that arise from or relate to
11 the performance or failure to perform by the Contractor (or any of its officers, agents,
12 subcontractors, or employees) under this Agreement. The County may conduct or participate in
13 its own defense without affecting the Contractor's obligation to indemnify and hold harmless or
14 defend the County.

15 8.2 **Survival.** This Article 8 survives the termination or expiration of this Agreement.

16 **Article 9**

17 **Insurance**

18 9.1 The Contractor shall comply with all the insurance requirements in Exhibit D to this
19 Agreement.

20 **Article 10**

21 **Inspections, Audits, and Public Records**

22 10.1 **Inspection of Documents.** The Contractor shall make available to the County, and
23 the County may examine at any time during business hours and as often as the County deems
24 necessary, all of the Contractor's records and data with respect to the matters covered by this
25 Agreement, excluding attorney-client privileged communications. The Contractor shall, upon
26 request by the County, permit the County to audit and inspect all of such records and data to
27 ensure the Contractor's compliance with the terms of this Agreement.

1 **10.2 State Audit Requirements.** If the compensation to be paid by the County under this
2 Agreement exceeds \$10,000, the Contractor is subject to the examination and audit of the
3 California State Auditor, as provided in Government Code section 8546.7, for a period of three
4 years after final payment under this Agreement. This section survives the termination of this
5 Agreement.

6 **10.3 Public Records.** The County is not limited in any manner with respect to its public
7 disclosure of this Agreement or any record or data that the Contractor may provide to the
8 County. The County's public disclosure of this Agreement or any record or data that the
9 Contractor may provide to the County may include but is not limited to the following:

10 (A) The County may voluntarily, or upon request by any member of the public or
11 governmental agency, disclose this Agreement to the public or such governmental
12 agency.

13 (B) The County may voluntarily, or upon request by any member of the public or
14 governmental agency, disclose to the public or such governmental agency any record or
15 data that the Contractor may provide to the County, unless such disclosure is prohibited
16 by court order.

17 (C) This Agreement, and any record or data that the Contractor may provide to the
18 County, is subject to public disclosure under the Ralph M. Brown Act (California
19 Government Code, Title 5, Division 2, Part 1, Chapter 9, beginning with section 54950).

20 (D) This Agreement, and any record or data that the Contractor may provide to the
21 County, is subject to public disclosure as a public record under the California Public
22 Records Act (California Government Code, Title 1, Division 10, beginning with section
23 7920.000) ("CPRA").

24 (E) This Agreement, and any record or data that the Contractor may provide to the
25 County, is subject to public disclosure as information concerning the conduct of the
26 people's business of the State of California under California Constitution, Article 1,
27 section 3, subdivision (b).
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1 (F) Any marking of confidentiality or restricted access upon or otherwise made with
2 respect to any record or data that the Contractor may provide to the County shall be
3 disregarded and have no effect on the County's right or duty to disclose to the public or
4 governmental agency any such record or data.

5 **10.4 Public Records Act Requests.** If the County receives a written or oral request
6 under the CPRA to publicly disclose any record that is in the Contractor's possession or control,
7 and which the County has a right, under any provision of this Agreement or applicable law, to
8 possess or control, then the County may demand, in writing, that the Contractor deliver to the
9 County, for purposes of public disclosure, the requested records that may be in the possession
10 or control of the Contractor. Within five business days after the County's demand, the
11 Contractor shall (a) deliver to the County all of the requested records that are in the Contractor's
12 possession or control, together with a written statement that the Contractor, after conducting a
13 diligent search, has produced all requested records that are in the Contractor's possession or
14 control, or (b) provide to the County a written statement that the Contractor, after conducting a
15 diligent search, does not possess or control any of the requested records. The Contractor shall
16 cooperate with the County with respect to any County demand for such records. If the
17 Contractor wishes to assert that any specific record or data is exempt from disclosure under the
18 CPRA or other applicable law, it must deliver the record or data to the County and assert the
19 exemption by citation to specific legal authority within the written statement that it provides to
20 the County under this section. The Contractor's assertion of any exemption from disclosure is
21 not binding on the County, but the County will give at least 10 days' advance written notice to
22 the Contractor before disclosing any record subject to the Contractor's assertion of exemption
23 from disclosure. The Contractor shall indemnify the County for any court-ordered award of costs
24 or attorney's fees under the CPRA that results from the Contractor's delay, claim of exemption,
25 failure to produce any such records, or failure to cooperate with the County with respect to any
26 County demand for any such records.

1 **Article 11**

2 **Disclosure of Self-Dealing Transactions**

3 11.1 **Applicability.** This Article 11 applies if the Contractor is operating as a corporation,
4 or changes its status to operate as a corporation.

5 11.2 **Duty to Disclose.** If any member of the Contractor's board of directors is party to a
6 self-dealing transaction, he or she shall disclose the transaction by completing and signing a
7 "Self-Dealing Transaction Disclosure Form" (Exhibit C to this Agreement) and submitting it to
8 the County before commencing the transaction or immediately after.

9 11.3 **Definition.** "Self-dealing transaction" means a transaction to which the Contractor is
10 a party and in which one or more of its directors, as an individual, has a material financial
11 interest.

12 **Article 12**

13 **General Terms**

14 12.1 **Modification.** Except as provided in Article 6, "Termination and Suspension," this
15 Agreement may not be modified, and no waiver is effective, except by written agreement signed
16 by both parties. The Contractor acknowledges that County employees have no authority to
17 modify this Agreement except as expressly provided in this Agreement.

18 12.2 **Non-Assignment.** Neither party may assign its rights or delegate its obligations
19 under this Agreement without the prior written consent of the other party.

20 12.3 **Governing Law.** The laws of the State of California govern all matters arising from
21 or related to this Agreement.

22 12.4 **Jurisdiction and Venue.** This Agreement is signed and performed in Fresno
23 County, California. Contractor consents to California jurisdiction for actions arising from or
24 related to this Agreement, and, subject to the Government Claims Act, all such actions must be
25 brought and maintained in Fresno County.

26 12.5 **Construction.** The final form of this Agreement is the result of the parties' combined
27 efforts. If anything in this Agreement is found by a court of competent jurisdiction to be
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1 ambiguous, that ambiguity shall not be resolved by construing the terms of this Agreement
2 against either party.

3 12.6 **Days.** Unless otherwise specified, "days" means calendar days.

4 12.7 **Headings.** The headings and section titles in this Agreement are for convenience
5 only and are not part of this Agreement.

6 12.8 **Severability.** If anything in this Agreement is found by a court of competent
7 jurisdiction to be unlawful or otherwise unenforceable, the balance of this Agreement remains in
8 effect, and the parties shall make best efforts to replace the unlawful or unenforceable part of
9 this Agreement with lawful and enforceable terms intended to accomplish the parties' original
10 intent.

11 12.9 **Nondiscrimination.** During the performance of this Agreement, the Contractor shall
12 not unlawfully discriminate against any employee or applicant for employment, or recipient of
13 services, because of race, religious creed, color, national origin, ancestry, physical disability,
14 mental disability, medical condition, genetic information, marital status, sex, gender, gender
15 identity, gender expression, age, sexual orientation, military status or veteran status pursuant to
16 all applicable State of California and federal statutes and regulation.

17 12.10 **No Waiver.** Payment, waiver, or discharge by the County of any liability or obligation
18 of the Contractor under this Agreement on any one or more occasions is not a waiver of
19 performance of any continuing or other obligation of the Contractor and does not prohibit
20 enforcement by the County of any obligation on any other occasion.

21 12.11 **Entire Agreement.** This Agreement, including its exhibits, is the entire agreement
22 between the Contractor and the County with respect to the subject matter of this Agreement,
23 and it supersedes all previous negotiations, proposals, commitments, writings, advertisements,
24 publications, and understandings of any nature unless those things are expressly included in
25 this Agreement. If there is any inconsistency between the terms of this Agreement without its
26 exhibits and the terms of the exhibits, then the inconsistency will be resolved by giving
27 precedence first to the terms of this Agreement without its exhibits, and then to the terms of the
28 exhibits.

1 **12.12 No Third-Party Beneficiaries.** This Agreement does not and is not intended to
2 create any rights or obligations for any person or entity except for the parties.

3 **12.13 Authorized Signature.** The Contractor represents and warrants to the County that:

4 (A) The Contractor is duly authorized and empowered to sign and perform its
5 obligations under this Agreement.

6 (B) The individual signing this Agreement on behalf of the Contractor is duly
7 authorized to do so and his or her signature on this Agreement legally binds the
8 Contractor to the terms of this Agreement.

9 **12.14 Electronic Signatures.** The parties agree that this Agreement may be executed by
10 electronic signature as provided in this section.

11 (A) An "electronic signature" means any symbol or process intended by an individual
12 signing this Agreement to represent their signature, including but not limited to (1) a
13 digital signature; (2) a faxed version of an original handwritten signature; or (3) an
14 electronically scanned and transmitted (for example by PDF document) version of an
15 original handwritten signature.

16 (B) Each electronic signature affixed or attached to this Agreement (1) is deemed
17 equivalent to a valid original handwritten signature of the person signing this Agreement
18 for all purposes, including but not limited to evidentiary proof in any administrative or
19 judicial proceeding, and (2) has the same force and effect as the valid original
20 handwritten signature of that person.

21 (C) The provisions of this section satisfy the requirements of Civil Code section
22 1633.5, subdivision (b), in the Uniform Electronic Transaction Act (Civil Code, Division 3,
23 Part 2, Title 2.5, beginning with section 1633.1).

24 (D) Each party using a digital signature represents that it has undertaken and
25 satisfied the requirements of Government Code section 16.5, subdivision (a),
26 paragraphs (1) through (5), and agrees that each other party may rely upon that
27 representation.
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(E) This Agreement is not conditioned upon the parties conducting the transactions under it by electronic means and either party may sign this Agreement with an original handwritten signature.

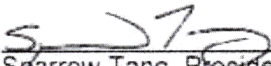
12.15 **Counterparts.** This Agreement may be signed in counterparts, each of which is an original, and all of which together constitute this Agreement.

[SIGNATURE PAGE FOLLOWS]

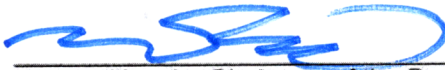
1 The parties are signing this Agreement on the date stated in the introductory clause.

2 CONTRACTOR

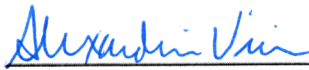
COUNTY OF FRESNO

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4  oct. 7 2024
5 Sparrow Tang, President/CEO

6 17986 County Road 94B
7 Woodland, CA 95695


Nathan Magsig, Chairman of the Board of
Supervisors of the County of Fresno

Attest:
Bernice E. Seidel
Clerk of the Board of Supervisors
County of Fresno, State of California

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10 By: 
Deputy

11 For accounting use only:

12 Org No.: 31113350/31113351
13 Account No.: 7205
14 Fund No.: 0001
15 Subclass No.: 10000
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Exhibit A

Scope of Services

A. SUMMARY

1. The CONTRACTOR shall provide to the Fresno County Sheriff's Office (FCSO) all personnel, labor, materials, tools, supplies, equipment, permits and licenses necessary for helicopter maintenance and repair at the Fresno County Sheriff's Office Air Support Unit.
 - a. The CONTRACTOR shall provide a Certificate of Insurance in accordance with the Commercial General and Aircraft Liability Insurance Requirements found in Exhibit D.
2. The Services shall be performed at:

Fresno County Sheriff's Office Air Support Unit
5029 E. Andersen Avenue, Fresno, CA 93727
3. The Services shall be provided during:
 - a. Monday through Friday 8 AM – 5 PM by two Mechanics (individually, "Mechanic" or collectively "Mechanics") of the CONTRACTOR who will be on site 40 hours a week. Additional fees will be charged for any Mechanic call out, other than the normal scheduled days and hours as stated in Exhibit B.

The following terms included in this Exhibit A shall have the following definitions:

- 1) **Air Support Unit (ASU):** The unit that operate the FCSO aircrafts.
- 2) **Air Support Commander:** The Lieutenant in charge of the ASU. The Air Support Commander ensures the ASU employees follow the FCSO policies and procedures and ensures the CONTRACTOR adheres to the terms of this Agreement.
- 3) **Air Support Unit Supervisor:** The sergeant assigned to the ASU as supervisor. The ASU Supervisor is responsible for managing maintenance in day-to-day operations.
- 4) **Maintenance Officer:** A position at the Air Support Unit charged with

Exhibit A

monitoring the maintenance program.

B. GENERAL

- 1) The ASU uses helicopters and fixed wing aircraft to provide emergency response services twenty-four hours a day, 365 days of the year throughout Fresno County. FCSO helicopters respond to law enforcement calls, medical emergencies, provide search and rescue services, and conduct patrol flights. In order to effectively conduct this broad spectrum of duties, the FCSO aircraft are equipped with special mission equipment packages to include, but not be limited to the following: communications, gimbal mounted sensors, moving map systems, spot lights, cargo hooks, medical equipment, and rescue long lines. Additionally, all the FCSO helicopters are equipped for night vision goggle (NVG) flight operations. All special mission packages are installed in accordance with manufacturer and Federal Aviation Administration (FAA) guidelines, and are required to be maintained in an airworthy and operational condition in order for the FCSO to meet its obligation to respond to emergencies and perform other duties.
- 2) The CONTRACTOR shall coordinate with the ASU and the ASU supervisors at the FCSO to ensure, to the maximum extent possible, that the FCSO has a fully operational helicopter and/or airplane available at all times. Aircraft availability shall mean that the aircraft, avionics, and all special mission equipment are fully operational, and all post-maintenance run-ups/flights and all logbook entries are completed.
- 3) The CONTRACTOR shall possess, and maintain for the duration the term of this Agreement, a valid FAA approved repair station certificate(s), as prescribed in Part 145 of the Federal Aviation Regulations (FAR), necessary to conduct the level of maintenance required by the provisions of this Agreement.

Exhibit A

- 1 4) Within thirty (30) days of the Agreement's effective date, the CONTRACTOR
2 shall complete a review of all aircraft and their respective maintenance
3 logbooks and report any discrepancies of the affected aircraft(s) to the FCSO
4 and the ASU Supervisor, along with recommendations for correcting any
5 discrepancies.
- 6 5) Within sixty (60) days of the Agreement's effective date, the CONTRACTOR
7 shall complete an inventory of all parts, tools, supplies, and support
8 equipment located at the ASU and provide a written report of findings to the
9 ASU supervisor. Inventory shall be completed with the ASU supervisor or
10 Mechanic.
- 11 6) The CONTRACTOR shall coordinate and perform scheduled and
12 unscheduled maintenance for ASU aircraft. The CONTRACTOR shall
13 coordinate with the ASU Supervisor in connection with scheduled
14 maintenance. Schedule maintenance includes all manufacturers' required
15 maintenance for the airframe, engine, and all installed equipment (including
16 instructions for continued airworthiness). Scheduled maintenance also
17 includes the ASU mandated maintenance, which may be at more frequent
18 intervals than manufacturer requirements.
- 19 7) The CONTRACTOR shall maintain all aircraft in accordance with all
20 appropriate FAA, manufacturer, and FCSO requirements. However, in order
21 to minimize out of service time; the CONTRACTOR, at the FCSO's
22 discretion, shall establish a progressive maintenance program.
- 23 8) The CONTRACTOR shall perform other Services and repairs as necessary
24 or as required by the ASU, including but not limited to maintenance or repairs
25 of ground support equipment.
- 26 9) The CONTRACTOR shall, at its sole cost, perform all necessary repairs
27 caused by improper maintenance actions by the CONTRACTOR's
28 employees on the FCSO aircraft or equipment. The ASU Supervisor will work

Exhibit A

1 with the CONTRACTOR to resolve issues, however, the FCSO shall retain
2 final authority as to the determination of what actions constitute improper
3 maintenance.

4 10) The CONTRACTOR shall have a formal tool inventory control system to
5 ensure that all tools used during maintenance are removed from the aircrafts
6 and returned to their storage areas at the conclusion of maintenance. See
7 Item E, "Parts and Tools."

8 11) The CONTRACTOR shall have a formal foreign object damage (FOD)
9 control program. At a minimum, this FOD program shall ensure that tools,
10 parts, and debris are not routinely placed on helicopter surfaces during
11 maintenance actions other than as necessary to complete a specific task.
12 The CONTRACTOR must provide written proof of compliance within sixty
13 (60) days of the Agreement's effective date, which will be subject to the
14 FCSO's approval.

15 12) The CONTRACTOR shall have a demonstrated commitment to Safety
16 Management Systems (SMS) integration. A demonstrated commitment to
17 SMS integration is defined as having, at a minimum, a stand-alone safety
18 policy, company-wide training in SMS, and actively improving SMS
19 integration. The CONTRACTOR must provide written proof of compliance
20 within sixty (60) days of the Agreement's effective start date, which will be
21 subject to the FCSO's approval.

22 13) The CONTRACTOR shall have a formal policy on distraction management
23 to reduce or eliminate distractions during the actual conduct of maintenance
24 actions. This policy shall include but not be limited to cell phone
25 management. The CONTRACTOR must provide proof of compliance within
26 sixty (60) days of the Agreement's effective start date, which will be subject
27 to the FCSO approval, such as providing a copy of the policy to FCSO.

28 14) If Contractor desires to change a Mechanic(s), Contractor shall ensure

Exhibit A

1 compliance with all applicable requirements of this Agreement and
2 immediately notify the FCSO in writing. The proposed new Mechanic(s) must
3 meet all experience requirements of the Agreement. The FCSO reserves the
4 right to interview any proposed new Mechanic(s) prior to acceptance and
5 may accept or reject any proposed Mechanic(s).

- 6 15) The CONTRACTOR shall perform an on-site evaluation of the Mechanics(s)
7 at least annually, or more frequently when requested by the FCSO or the
8 ASU Supervisor. The purpose of the evaluation shall be to ensure
9 compliance with FAA regulations, airworthiness directives, and
10 manufacturer's bulletins. It shall also include a review of aircraft and engine
11 logbooks, to ensure complete and accurate entries are made, life-limited
12 component use times and accurately recorded, and to ensure any spare
13 components are properly tagged (serviceable, non-serviceable, repairable)
14 and identified. A written report of the evaluation shall be provided to the ASU
15 supervisor and to the FCSO.

16 C. MAINTENANCE ACTIONS

- 17 1) The CONTRACTOR's Mechanics shall not perform any maintenance actions
18 on any aircraft after it has been released to flight service without first
19 coordinating with the on-duty pilot assigned to the aircraft.
- 20 2) The CONTRACTOR shall not perform modifications to aircraft or installed
21 equipment without written authorization from the ASU Supervisor. If the ASU
22 Supervisor determines that the CONTRACTOR performed an unauthorized
23 modification, then the ASU retains the authority to direct the CONTRACTOR
24 to return the aircraft and/or equipment to its original condition or have another
25 facility perform the repairs at the expense of the CONTRACTOR. Such
26 facilities will be selected by the ASU. In any event, the CONTRACTOR shall
27 be liable for all costs associated with unauthorized repairs including
28 reimbursement for the original unauthorized modification.

Exhibit A

- 3) Any damage caused to an aircraft or its components through neglect or negligence by the CONTRACTOR or its employees shall be reported immediately to the ASU Supervisor and shall be the sole responsibility of the CONTRACTOR. The ASU shall have aviation maintenance incident investigative authority; however, the ASU may request assistance from the CONTRACTOR in the conduct of any investigation.
- 4) When conducting aircraft inspections, the Mechanic shall perform the inspections(s) utilizing the appropriate manufacturer's checklist. After completion of the scheduled maintenance, the Mechanic shall provide the checklist(s) to the ASU Pilot for review prior to any operation of the aircraft.
- 5) For all work other than scheduled inspections, the CONTRACTOR shall, at the ASU's request, provide a written estimate of labor, parts, and time required to complete the specified repairs. No work shall be done or parts supplied in excess of, or different from, the original written estimate without prior written approval from the ASU Supervisor. Should the CONTRACTOR continue to work without the additional required authorization, the FCSO is released from any and all obligation to pay any amount exceeding the original estimate.

D. MAINTENANCE AT CONTRACTOR'S FACILITY

- 1) When repairs must be accomplished at the CONTRACTOR's own facility, the aircraft(s) shall be kept in a secure hangar. The CONTRACTOR shall be responsible for the security of the aircraft(s), and all equipment on the aircraft while in CONTRACTOR'S possession.
- 2) All maintenance is generally to be performed at the ASU hangar at 5029 E. Andersen, Fresno, CA 93727. When it is determined to be in the best interest of the FCSO, the ASU Supervisor may approve maintenance to be performed at the CONTRACTOR's facility subject to the following conditions:
 - a. One Mechanic who meets the requirements of a "assigned

Exhibit A

Mechanic," as described in this Agreement, shall be designated as the lead Mechanic if the Mechanic normally assigned to maintain the helicopter will not be present for the maintenance.

- b. The lead Mechanic will physically accept the aircraft from the FCSO pilot delivering the aircraft, remain dedicated to the maintenance of the aircraft while it is at the CONTRACTOR's facility, and hand off the helicopter to the FCSO pilot retrieving the helicopter. If the CONTRACTOR is not able to meet this requirement at any time after the acceptance of the aircraft, the CONTRACTOR shall immediately notify the FCSO, the ASU Supervisor, and the Mechanic. This notification may be provided via email.
- c. All work to be completed at the CONTRACTOR's facility shall be documented at the time the aircraft is delivered to the ASU pilot. Failure to provide adequate documentation is grounds for refusing acceptance or delivery of the aircraft.
- d. Additional Mechanic(s) may be assigned to work on the aircraft, however, all work must be inspected and the inspection must be documented by the lead Mechanic.
- e. Upon completion of maintenance, the lead Mechanic shall review all documentation and maintenance actions performed with the ASU pilot accepting the helicopter. An ASU approved post-maintenance checklist shall be utilized by both the lead Mechanic and the ASU pilot to document this process.
- f. The CONTRACTOR shall have adequate indoor and secured storage space for the aircraft and all parts removed for maintenance. The removed parts shall not be mixed with parts from other aircraft, and shall be stored in a manner which protects them from damage.

Exhibit A

E. PARTS AND TOOLS

- 1) The tool control program is subject to the FCSO's written approval, however, at a minimum, the tool control program shall accomplish the following goals:
 - a. 100% inventory of all hand tools to be used in the maintenance of any FCSO's aircraft at the start of the contract period, with quarterly inventory audits thereafter.
 - b. 100% tool accountability at the conclusion of maintenance actions, prior to any ground runs or test flights, and prior to release of any FCSO's aircraft to service.
 - c. Tool management during maintenance ground runs and test flights.
 - d. Standardized tool markings to identify tool ownership.
 - e. Defined punitive actions to be taken when procedures are not followed, however, there shall be no negative actions taken against a CONTRACTOR's employee who reports a missing tool or part immediately upon discovery by that employee.
- 2) The FCSO may have aircraft engines and/or airframes on a power by the hour (PBH), service by the hour (SBH), or similar component replacement/service program (generically referred to as CSP). In these instances, the CONTRACTOR shall facilitate Services for these components through these programs/agreements. The FCSO may elect to enter into or cancel CSP, or similar, agreements for components during the life of this Agreement.
- 3) It is the responsibility of the CONTRACTOR to provide the tools which are necessary for routine maintenance or repair of the FCSO aircrafts. Should the FCSO request the use of tools or special equipment that is not required for normal maintenance, the CONTRACTOR shall provide a written cost estimate and receive authorization from the ASU Supervisor, prior to the

Exhibit A

purchase or rental of these items. If approved, the item shall be charged against the Agreement at actual cost.

- 4) The CONTRACTOR shall work with the ASU to determine which parts are to be tracked in an electronic maintenance tracking system. At a minimum, parts with serial numbers, and parts with a value equal to or greater than \$500 shall be tracked in an electronic maintenance tracking system by the CONTRACTOR.
- 5) The CONTRACTOR shall track time-limited parts, or parts with expiration dates, with an electronic maintenance tracking system.
- 6) The FCSO shall have a basic inventory of parts. The CONTRACTOR shall establish this inventory based on manufacturer's recommendations and the FCSO operational requirements. The following protocols shall be followed regarding parts storage:
 - a. All parts shall be properly tagged and environmentally protected.
 - b. Parts shall be wrapped or boxed in a manner that prevents damage or contamination.
 - c. Open ends of fabricated or bulk lines and hoses shall be capped or covered.
 - d. Serviceable parts shall be kept in a separate area from unserviceable parts.
 - e. Society of Automotive Engineers (SAE) parts shall be segregated from metric parts.
 - f. Non-aviation parts shall be physically separated from aviation parts.
 - g. Within five (5) business days upon receipt parts shall be inspected for airworthiness, to ensure that an approved vendor provided them and that the required certification documentation is included prior to entering them into inventory.

Exhibit A

1 7) Serviceable parts and/or supplies furnished by FCSO shall be utilized by the
2 CONTRACTOR. The FCSO inventory shall be checked prior to ordering
3 parts. If inventory is not checked prior to the purchase of a serviceable
4 component and a component of that type is in the FCSO inventory, the FCSO
5 has the right to return that component for a full refund, including all shipping
6 charges, and shall not be subject to any restocking fees.

7 8) In an effort to ensure the documentation of the origin of life-limited
8 components, the CONTRACTOR shall document in the aircraft maintenance
9 log all life-limited parts purchased from the manufacturer.

10 F. PARTS, PERFORMANCE REQUIREMENTS

11 1) Parts and components sourced for installation on the FCSO aircraft and
12 equipment shall maintain the integrity of the original performance
13 specifications of the component being replaced or system being serviced.

14 2) Parts and components sourced for installation on the FCSO aircraft and
15 equipment shall maintain the integrity of current warranties. The
16 CONTRACTOR shall make every effort to service warranty parts or
17 components in such a manner as to maintain the integrity of the warranty for
18 its duration. The CONTRACTOR is responsible for costs associated with
19 improper maintenance that voids a warranty. If the CONTRACTOR's actions
20 cause a warranty to be voided, the CONTRACTOR shall fulfill the provisions
21 of the warranty for the coverage period voided by the CONTRACTOR's
22 actions.

23 3) Aircraft components which cannot be overhauled by the CONTRACTOR
24 shall be overhauled by manufacturer certified service centers or other service
25 centers acceptable to the FCSO. The FCSO reserves the right to prohibit the
26 use of certain parts or suppliers or subcontractors due to quality control
27 issues, or to restrict the CONTRACTOR to using specified parts suppliers or
28 service centers.

Exhibit A

- 4) The CONTRACTOR shall provide a copy of the work order with the life-limited component, detailing the work performed for any component overhauled by or through the CONTRACTOR.

G. AVIONICS

- 1) Mechanics are expected to be able to remove and reinstall radios, computers, cables, antennas, and various electronic/electrical components which may need to be sent to appropriate service centers for repairs.
- 2) Avionics related discrepancies that are beyond the capabilities of the CONTRACTOR shall be subcontracted to an appropriate repair facility as agreed upon by the FCSO, including the ASU Supervisor.
- 3) The CONTRACTOR shall be responsible for updating avionics databases and chart services. The CONTRACTOR shall provide an invoice showing actual costs of these services when billing the FCSO.

H. AIRCRAFT MAINTENANCE RECORDS

- 1) Airframe, engine, component, and avionics logbooks shall be maintained for each aircraft. Entries shall be made by the primary Mechanic performing the maintenance or designee and will be in accordance with, FAR 43.11 (content, form, and disposition of records for inspections under Part 91). Logbook entries and the appropriate electronic maintenance tracking system entries shall be completed immediately upon completion of maintenance being performed and prior to the aircraft being returned for service.
- 2) Entries shall be made for the following:
 - a. Upon completion of inspections, repairs or maintenance.
 - b. Upon compliance with an FAA or manufacturers' maintenance directive.
 - c. Upon compliance with manufacturer's Service Bulletins or Service Letters.
 - d. After a post-maintenance flight and return to service per FAR

Exhibit A

91.407(b). This entry shall be made in conjunction with the FCSO pilot performing the return to service flight.

3) Logbooks shall be located at the ASU office/hangar.

I. REQUIRED INSPECTION ITEMS (RII)

1) The CONTRACTOR shall have a formal aviation maintenance quality control program to ensure that all safety of flight related maintenance actions are reviewed before maintenance ground runs or maintenance flight checks are performed, and before the aircraft is returned to service. The Quality Control Program shall include, at a minimum, RII procedures that identify what must be inspected, who may perform the inspection, and initial and recurrent training for inspectors. At the direction of the ASU Supervisor, the CONTRACTOR may train the FCSO pilots to perform specified RII inspections.

2) At a minimum, the RII program shall include maintenance involving the disassembly of critical components such as:

- a. Flight controls
- b. Fuel and oil systems
- c. Rotors and their respective drive systems
- d. Structural supports
- e. Any other component or system which would affect the safety of flight.

3) The RII criteria is subject to the FCSO approval and may be modified at the FCSO's discretion.

4) Ground and flight checks shall be completed by a FCSO pilot per the Rotorcraft Flight Manual (RFM) after maintenance and prior to releasing the aircraft into service. Ground and flight checks shall be documented in the aircraft logbook, and/or an electronic maintenance tracking system. When there is a discrepancy between the maintenance manuals and the RFM as to the requirement of a ground or flight check the most conservative action

Exhibit A

shall be followed (for example: the RFM requires a flight check after work on the flight controls, but the maintenance manual does not, a flight check shall be performed because the RFM calls for one).

J. PERSONNEL REQUIREMENTS

- 1) The CONTRACTOR shall provide two (2) Mechanics to be assigned to the ASU. All of these personnel shall be dedicated to the fulfillment of this Agreement.
- 2) The CONTRACTOR shall also have sufficient personnel to perform a quality control function on all records maintained by the CONTRACTOR on behalf of the FCSO.

K. MECHANIC STANDARDS

- 1) Minimum qualifications for Mechanics permanently assigned to work at the ASU are as follows:
 - a. FAA certified Airframe and Power plant (A&P) Mechanic
 - b. Current FAA Inspection Authorization (IA) certificate
 - c. Three (3) years recent turbine helicopter maintenance experience.
 - d. Two (2) years of experience with fixed wing aircraft maintenance.
- 2) Within six (6) months of the Agreement Effective Date, the assigned Mechanic(s) shall successfully complete the appropriate manufacturer's airframe field maintenance and engine field maintenance courses for the primary type of aircraft being maintained. The cost of training is the responsibility of the CONTRACTOR. Upon completion of the training, a copy of the certificate(s) shall be submitted to the FCSO and the ASU Supervisor.
- 3) Within six (6) months of the Agreement's start date, each assigned Mechanic shall receive training and be proficient with the MicroVib 11, and/or other dynamic track and balance equipment as specified by the ASU Supervisor or maintenance coordinator. The training shall be coordinated by the CONTRACTOR, and all costs associated with this training are the

Exhibit A

responsibility of the CONTRACTOR. Upon completion of the training, a copy of the certificate(s) shall be submitted to the ASU Supervisor.

- 4) Mechanics shall be trained to install, maintain, remove and replace any specialized equipment installed on FCSO helicopters or airplanes in accordance with the standards of the manufacturer, supplemental type certificate(s), and/or field approvals, as appropriate.
- 5) Mechanics shall maintain the aircrafts, all special mission equipment installed on the aircrafts, and ground support equipment. To effectively accomplish this task, Mechanics must be able to establish working relationships with the technical representatives of the various manufacturers of the aircrafts, engines, and equipment. At the ASU's discretion, Mechanics may also be required to receive manufacturer training(s) in order to perform maintenance actions on special mission equipment. This training shall be at the expense of the CONTRACTOR.
- 6) All Mechanics working on the FCSO aircraft shall be proficient with, and use, the electronic maintenance manuals for the airframe and engines on which they are working. The CONTRACTOR shall provide Mechanics with adequate technology (tablet computers, laptops, or equivalent) and training to meet this requirement. The CONTRACTOR shall ensure that electronic maintenance manuals are available to ASU pilots 24 hours a day, 7 days a week. Subscription services for all manuals related to the maintenance of the aircrafts, engines, and special mission equipment are the responsibility of the CONTRACTOR.
- 7) Should the ASU complete quarterly safety training, Mechanics shall attend this training unless prior arrangements are made with the ASU Supervisor.
- 8) On each scheduled workday for a Mechanic, the Mechanic shall perform the daily inspection (or after last flight inspection) prior to releasing the aircraft to service and prior to an ASU pilot performing a preflight inspection.

Exhibit A

- 1 9) The Mechanic(s) shall repair and service ground support equipment and
2 perform shop maintenance duties (for example: sweeping hangar floor,
3 organizing parts, etc.).
- 4 10) For call-outs in connection with unscheduled maintenance, Mechanic(s) shall
5 arrive at the ASU hanger within two hours of the FCSO's request for
6 maintenance. The CONTRACTOR shall ensure that two Mechanics are
7 available via cell phone 24 hours a day, 7 days a week, unless prior
8 arrangements have been made with the ASU Supervisor.
- 9 11) The CONTRACTOR shall submit resumes for all Mechanics that will be
10 performing maintenance and repairs on the FCSO aircraft. This requirement
11 includes the ASU Mechanic(s) and Mechanics working out of the contractor's
12 maintenance facility. The resumes shall include work experience,
13 schools/courses attended, copies of current certificates, manufacturer's
14 courses attended, and FAA ratings held. The CONTRACTOR shall notify in
15 writing (email) the ASU and the ASU Supervisor prior to arrival of the
16 assigned Mechanic.
- 17 12) The FCSO may require the Mechanic(s) to complete an interview with
18 representatives of the FCSO to confirm suitability to fulfill the requirements
19 specified in the Agreement. The FCSO has final authority as to an individual's
20 suitability to perform the duties required to meet the requirements of this
21 Agreement. Any individual rejected as unsuitable by the FCSO shall not be
22 used in any capacity to meet the requirements of this Agreement without
23 written approval from the FCSO.
- 24 13) The FCSO reserves the right to request a replacement of any permanently
25 assigned Mechanic. The FCSO will allow the Contractor up to sixty (60)
26 calendar days to identify and retain a suitable individual as described above.

L. MECHANIC WORK SCHEDULE

- 27 1) The normal work shift of the Mechanics is subject to the scheduling needs of
28

Exhibit A

the FCSO and shall be determined by the ASU Supervisor. The FCSO anticipates the normal work week to be approximately forty (40) hours. If overtime is necessary, prior approval shall be obtained from the FCSO or the ASU Supervisor. Any unapproved overtime shall be the responsibility of the CONTRACTOR.

- 2) The CONTRACTOR shall ensure that the Mechanic(s) properly document their time on a daily basis. The Mechanic(s) shall record their time expended in the following four (4) categories: scheduled maintenance, unscheduled maintenance, miscellaneous maintenance (time expended to effect repairs as a result of an accident or incident, perform modifications, or work on ground support equipment), or as time attributed to the on-site Mechanic support (time remaining not accounted for in one of the preceding three categories). At the end of the month, the Mechanic(s) shall total his/her time for each of the four (4) categories and submit his/her time tracking sheet to the ASU Supervisor for review prior to submitting it to the CONTRACTOR. The CONTRACTOR shall provide the ASU with a sample time tracking form. The form shall be approved by the FCSO prior to implementation. At the FCSO's discretion, the FCSO may establish a standardized time tracking system for Mechanics which shall be utilized by the CONTRACTOR.
- 3) If at any time it is determined that a Mechanic is unsuitable due to: excessive time to complete work, poor work quality, poor work ethic, lack of training, or failure to keep certificates current, the FCSO reserves the right to request a suitable replacement Mechanic. The ASU Supervisor shall request a replacement Mechanic by submitting a written request for a replacement Mechanic explaining the need for one to the CONTRACTOR.
- 4) The CONTRACTOR shall provide a replacement Mechanic within sixty (60) days from the date of written notification to the CONTRACTOR.
- 5) When authorized by the FCSO and/or the aerial supervisor, the Mechanic(s)

Exhibit A

1 may be required to maintain the FCSO aircraft at locations other than the
2 Mechanic's base of permanent assignment (for example: aircraft makes a
3 precautionary landing at an off-site location and requires maintenance prior
4 to its next flight). If a Mechanic is required to travel to a location other than
5 the ASU hangar, or when additional Mechanic(s) are authorized by the
6 FCSO, travel will be reimbursed as outlined in this Exhibit A.

- 7 6) In the event a Mechanic is temporarily unavailable due to illness, family
8 emergency, etc., the CONTRACTOR shall provide an interim Mechanic for
9 the ASU facility within 24 hours of notification, at no additional cost to the
10 FCSO. The interim Mechanic shall meet the requirements of a "Mechanic"
11 as outlined in this Agreement.

12 M. TRAVEL

13 If a Mechanic is required to travel to a location other than the assigned ASU
14 facility specified in this Agreement, or when additional Mechanic(s) are
15 authorized by the FCSO, actual out-of-pocket expenses (not to exceed the
16 current FCSO rates for meals, lodging and mileage) shall be reimbursed when
17 supported by receipts. Authorization for out-of-state travel must be obtained
18 and approved in writing by the ASU Supervisor or the FCSO prior to any
19 expenses being incurred. Expenses for meals, lodging and mileage shall be
20 included on invoice(s) for that work performed.

21 N. ADDITIONAL MECHANIC

- 22 1) When deemed necessary by the FCSO, the CONTRACTOR shall provide
23 an additional Mechanic(s) to assist with the required aircraft maintenance.
24 The additional Mechanic(s) shall meet the requirements of Section K.,
25 "Mechanic Standards", of this Agreement. (Note: the additional Mechanic is
26 not a full-time Mechanic already on contract with the FCSO).
- 27 2) A request for an additional Mechanic(s) for scheduled maintenance shall be
28 made in writing by the ASU Supervisor not less than seventy-two (72) hours

Exhibit A

1 prior to the anticipated need. The CONTRACTOR shall provide additional
2 qualified Mechanic(s) on the date(s) desired.

- 3 3) In the event of unscheduled maintenance requiring assistance of an
4 additional Mechanic, the CONTRACTOR is obligated to provide the required
5 Mechanic(s) when notified by the ASU Supervisor. The Mechanic shall
6 respond to provide the requested unscheduled maintenance within twenty-
7 four (24) hours of notification.

Exhibit B

Compensation

The Contractor will be compensated for performance of its services under this Agreement as provided in this Exhibit B. The Contractor is not entitled to any compensation except as expressly provided in this Exhibit B.

AHS Aircraft Maintenance Labor Rates:

Two (2) full-time (40 hours a week) Mechanics, maintenance and management services flat rate charge at \$55,400 per month.

Additional Fees will be charged as follows:

ASU authorized additional Mechanic maintenance hourly rate: * \$180 per hour.

ASU authorized hours exceeding 8 hours per day (Overtime) hourly maintenance rate: \$180 per hour.

ASU authorized weekends/holidays Aircraft hourly maintenance rate: ** \$180 per hour.

* This hourly rate is for maintenance service provided by qualified Mechanics in addition to the two (2) full time Mechanics.

** Holidays include Federal and State holidays (New Year's Day, Presidents' Day, Cesar Chavez Day, Memorial Day, Juneteenth National Independence Day (June 19th), Independence Day (July 4th), Labor Day, Veterans Day, Thanksgiving Day and Christmas Day)

*** When Mechanic(s) are called out to provide Services, other than the normal scheduled days and hours, County will pay for actual time Services are provided, but in no event less than for two (2) hours of service.

These labor rates only apply to the following aircraft(s) two (2) MD500E helicopters, one (1) MD530F helicopters, and one (1) Cessna T206H airplane. If other labor rates are to apply, the parties shall amend the agreement to provide for the additional labor rates pursuant to Section 12.1 of the Agreement.

Travel expenses shall be reimbursed as set forth in section M of Exhibit A.

Exhibit B

1 Special tool rentals authorized pursuant to Exhibit A shall be reimbursed by County at the actual
2 cost of the rental.

3 The FCSO may purchase aircraft parts where is feasible directly from its authorized County
4 vendors.

5 ASU authorized parts purchased by the CONTRACTOR pursuant to Exhibit A shall be
6 reimbursed by the COUNTY at the actual cost of the part plus a fifteen percent (15%) surcharge
7 fee. MD Helicopters: 5% Discount of current pricing.

Exhibit C

Self-Dealing Transaction Disclosure Form

In order to conduct business with the County of Fresno ("County"), members of a contractor's board of directors ("County Contractor"), must disclose any self-dealing transactions that they are a party to while providing goods, performing services, or both for the County. A self-dealing transaction is defined below:

"A self-dealing transaction means a transaction to which the corporation is a party and in which one or more of its directors has a material financial interest."

The definition above will be used for purposes of completing this disclosure form.

Instructions

- (1) Enter board member's name, job title (if applicable), and date this disclosure is being made.
- (2) Enter the board member's company/agency name and address.
- (3) Describe in detail the nature of the self-dealing transaction that is being disclosed to the County. At a minimum, include a description of the following:
 - a. The name of the agency/company with which the corporation has the transaction; and
 - b. The nature of the material financial interest in the Corporation's transaction that the board member has.
- (4) Describe in detail why the self-dealing transaction is appropriate based on applicable provisions of the Corporations Code.

The form must be signed by the board member that is involved in the self-dealing transaction described in Sections (3) and (4).

Exhibit C

(1) Company Board Member Information:			
Name:		Date:	
Job Title:			
(2) Company/Agency Name and Address:			
(3) Disclosure (Please describe the nature of the self-dealing transaction you are a party to)			
(4) Explain why this self-dealing transaction is consistent with the requirements of Corporations Code § 5233 (a)			
(5) Authorized Signature			
Signature:		Date:	

Exhibit D

Insurance Requirements

1. Required Policies

Without limiting the County's right to obtain indemnification from the Contractor or any third parties, Contractor, at its sole expense, shall maintain in full force and effect the following insurance policies throughout the term of this Agreement.

- (A) **Commercial General Liability.** Commercial general liability insurance with limits of not less than Two Million Dollars (\$2,000,000) per occurrence and an annual aggregate of Four Million Dollars (\$4,000,000). This policy must be issued on a per occurrence basis. Coverage must include products, completed operations, property damage, bodily injury, personal injury, and advertising injury. The Contractor shall obtain an endorsement to this policy naming the County of Fresno, its officers, agents, employees, and volunteers, individually and collectively, as additional insureds, but only insofar as the operations under this Agreement are concerned. Such coverage for additional insureds will apply as primary insurance and any other insurance, or self-insurance, maintained by the County is excess only and not contributing with insurance provided under the Contractor's policy.
- (B) **Automobile Liability.** Automobile liability insurance with limits of not less than One Million Dollars (\$1,000,000) per occurrence for bodily injury and for property damages. Coverage must include any auto used in connection with this Agreement.
- (C) **Workers Compensation.** Workers compensation insurance as required by the laws of the State of California with statutory limits.
- (D) **Pollution.** Pollution Legal Liability and Remediation and/or Errors & Omissions applicable to underground or above ground fuel storage tanks, fueling or refueling operations with a limit no less than \$2,000,000 per claim or occurrence and \$2,000,000 aggregate per policy period of one year. This policy shall include coverage for bodily injury, property damage personal injury and environmental site restoration, including fines and penalties in accordance with applicable EPA or State regulations.
- (E) **Employer's Liability.** Employer's liability insurance with limits of not less than One Million Dollars (\$1,000,000) per occurrence for bodily injury and for disease.
- (F) **Professional Liability.** Professional liability insurance with limits of not less than One Million Dollars (\$1,000,000) per occurrence and an annual aggregate of Three Million Dollars (\$3,000,000). If this is a claims-made policy, then (1) the retroactive date must be prior to the date on which services began under this Agreement; (2) the Contractor shall maintain the policy and provide to the County annual evidence of insurance for not less than five years after completion of services under this Agreement; and (3) if the policy is canceled or not renewed, and not replaced with another claims-made policy with a retroactive date prior to the date on which services begin under this Agreement, then the Contractor shall purchase extended reporting coverage on its claims-made policy for a minimum of five years after completion of services under this Agreement.
- (G) **Hangar Keeper's Liability.** Hangar Keeper's Liability insurance with limits of not less than Two Million Dollars (\$2,000,000) per occurrence and an annual aggregate of Four Million Dollars (\$4,000,000). The Contractor shall obtain an endorsement to this policy

Exhibit D

naming the County of Fresno, its officers, agents, employees, and volunteers, individually and collectively, as additional insureds, but only insofar as the operations under this Agreement are concerned. Such coverage for additional insureds will apply as primary insurance and any other insurance, or self-insurance, maintained by the County is excess only and not contributing with insurance provided under the Contractor's policy.

2. Additional Requirements

- (A) **Verification of Coverage.** Within 30 days after the Contractor signs this Agreement, and at any time during the term of this Agreement as requested by the County's Risk Manager or the County Administrative Office, the Contractor shall deliver, or cause its broker or producer to deliver, to the County Risk Manager, at 2220 Tulare Street, 16th Floor, Fresno, California 93721, or HRRiskManagement@fresnocountyca.gov, and by mail or email to the person identified to receive notices under this Agreement, certificates of insurance and endorsements for all of the coverages required under this Agreement.
- (i) Each insurance certificate must state that: (1) the insurance coverage has been obtained and is in full force; (2) the County, its officers, agents, employees, and volunteers are not responsible for any premiums on the policy; and (3) the Contractor has waived its right to recover from the County, its officers, agents, employees, and volunteers any amounts paid under any insurance policy required by this Agreement and that waiver does not invalidate the insurance policy.
 - (ii) The commercial general liability insurance certificate must also state, and include an endorsement, that the County of Fresno, its officers, agents, employees, and volunteers, individually and collectively, are additional insureds insofar as the operations under this Agreement are concerned. The commercial general liability insurance certificate must also state that the coverage shall apply as primary insurance and any other insurance, or self-insurance, maintained by the County shall be excess only and not contributing with insurance provided under the Contractor's policy.
 - (iii) The automobile liability insurance certificate must state that the policy covers any auto used in connection with this Agreement.
 - (iv) The professional liability insurance certificate, if it is a claims-made policy, must also state the retroactive date of the policy, which must be prior to the date on which services began under this Agreement.
- (B) **Acceptability of Insurers.** All insurance policies required under this Agreement must be issued by admitted insurers licensed to do business in the State of California and possessing at all times during the term of this Agreement an A.M. Best, Inc. rating of no less than A: VII.

Exhibit D

- (C) **Notice of Cancellation or Change.** For each insurance policy required under this Agreement, the Contractor shall provide to the County, or ensure that the policy requires the insurer to provide to the County, written notice of any cancellation or change in the policy as required in this paragraph. For cancellation of the policy for nonpayment of premium, the Contractor shall, or shall cause the insurer to, provide written notice to the County not less than 10 days in advance of cancellation. For cancellation of the policy for any other reason, and for any other change to the policy, the Contractor shall, or shall cause the insurer to, provide written notice to the County not less than 30 days in advance of cancellation or change. The County in its sole discretion may determine that the failure of the Contractor or its insurer to timely provide a written notice required by this paragraph is a breach of this Agreement.
- (D) **County's Entitlement to Greater Coverage.** If the Contractor has or obtains insurance with broader coverage, higher limits, or both, than what is required under this Agreement, then the County requires and is entitled to the broader coverage, higher limits, or both. To that end, the Contractor shall deliver, or cause its broker or producer to deliver, to the County's Risk Manager certificates of insurance and endorsements for all of the coverages that have such broader coverage, higher limits, or both, as required under this Agreement.
- (E) **Waiver of Subrogation.** The Contractor waives any right to recover from the County, its officers, agents, employees, and volunteers any amounts paid under the policy of worker's compensation insurance required by this Agreement. The Contractor is solely responsible to obtain any policy endorsement that may be necessary to accomplish that waiver, but the Contractor's waiver of subrogation under this paragraph is effective whether or not the Contractor obtains such an endorsement.
- (F) **County's Remedy for Contractor's Failure to Maintain.** If the Contractor fails to keep in effect at all times any insurance coverage required under this Agreement, the County may, in addition to any other remedies it may have, suspend or terminate this Agreement upon the occurrence of that failure, or purchase such insurance coverage, and charge the cost of that coverage to the Contractor. The County may offset such charges against any amounts owed by the County to the Contractor under this Agreement.
- (G) **Subcontractors.** The Contractor shall require and verify that all subcontractors used by the Contractor to provide services under this Agreement maintain insurance meeting all insurance requirements provided in this Agreement. This paragraph does not authorize the Contractor to provide services under this Agreement using subcontractors.