Contract Summary Form

OC Expediter Requisition# 1793105

DFC, Inc. dba Advanced Helicopter Services

SUMMARY OF SIGNIFICANT CHANGES

Adding a second subcontractor
Adding a Helicopter Engine Lease Agreement

SUBCONTRACTORS

Black Mountain Aviation, LLC authorized subcontractor.

CONTRACT OPERATING EXPENSES

See attached excerpt from Amendment Number One to the DFC, Inc. dba Advanced Helicopter Services contract, effective upon Board of Supervisors approval.

WHEREAS, COUNTY desires to amend the ORIGINAL CONTRACT, Additional Terms and Conditions paragraph 30. Subcontracting in part to add a second authorized subcontractor Black Mountain Aviation, LLC and to add Exhibit 1 Lease Agreement and the CONTRACTOR has agreed to provide these goods/services at the rates set forth in the ORIGNAL CONTRACT;

NOW, THEREFORE, in consideration of the mutual obligations set forth herein, both COUNTY and CONTRACTOR agree as follows:

1. ARTICLES
   a. Additional Terms and Conditions, paragraph 30. Subcontracting, of the ORIGINAL CONTRACT is amended in part as follows:

      30. Subcontracting: No performance of this Contract or any portion thereof may be subcontracted or otherwise delegated by the Contractor, in whole or in part, without first obtaining the prior express written consent of the County. Any attempt by Contractor to subcontract or delegate any performance of this Contract without the prior express written consent of the County shall be invalid and shall constitute a material breach of this Contract, and any attempted assignment or delegation in derogation of this paragraph shall be void.

      In the event that the Contractor is authorized by County to subcontract, this Contract shall take precedence over the terms of the agreement between Contractor and subcontractor, and any agreement between Contractor and a subcontractor shall incorporate by reference the terms of this Contract. Contractor shall remain responsible for the performance of this Contract and indemnification of County notwithstanding the County's consent to Contractor's request for approval of a subcontractor. Under no circumstances shall County be required to directly monitor the performance of any subcontractor. All work performed by a subcontractor must be monitored by Contractor and must meet the approval of the County of Orange pursuant to the terms of this Contract.

Authorized Subcontractors

Black Mountain Aviation, LLC
1411 Airport Rd STE 100
Boulder City, NV. 89005-3660

Safran Helicopter Engines USA Inc.
2709 N. Forum Dr.
Grand Prairie, TX. 75052

b. Add Exhibit 1 Lease Agreement to be utilized by County of Orange and Black Mountain Aviation, LLC for the rental of helicopter engines and component parts on an as needed basis. To be signed by Deputy Procurement Agent.

ADVANCED HELICOPTER SERVICES
LEASE AGREEMENT

This Lease Agreement is entered into in Woodland, CA and is made effective as of _____between Advanced Helicopter Services C/O Black Mountain Aviation LLC and Orange County Sheriff ("Lessee").

1. **LEASED EQUIPMENT** Advanced Helicopter Services C/O Black Mountain Aviation LLC. shall supply to Lessee, and Lessee shall lease from Advanced Helicopter Services C/O Black Mountain Aviation LLC. for the purpose described herein below, certain turboshaft engines, modules and accessories, hereinafter referred to as "Equipment", and more particularly described under Lease Equipment as follows:

Leased Equipment:	**Lessee's Property:**
Engine/Module Type:	Engine/Module Type:
Serial Number:	Serial Number:
TSN/TSO:	TSN/TSO:
CSN/CSO:	Reason for Removal
Deposit:	PO #

Advanced Helicopter Services C/O Black Mountain Aviation LLC. shall, at its sole option, furnish newly manufactured, remanufactured or used equipment which shall be deemed to be airworthy.

2. **TERM** This agreement shall be effective as of the date of signature by both Parties and shall remain in full force until Lessee's Property has been repaired and returned to Lessee and Leased Equipment has been returned to Advanced Helicopter Services C/O Black Mountain Aviation LLC. or until terminated in accordance with Article 12 herein below.

3. **FEES** As consideration for the Lease of the Equipment, Lessee shall pay to Advanced Helicopter Services. a Lease amount equal to the aggregate of the following amounts:

   a. $ per hour of operation ("Hourly Charge") and $ per each day of this Agreement ("Daily Charge") (collectively referred to as Lease Charges).
   b. The Daily Charge shall be calculated from the fifth (5th) day the Equipment is shipped from Advanced Helicopter Services. until five (5) days prior to the date the Equipment is returned to Advanced Helicopter Services.
   c. Notwithstanding the foregoing, in the event that Lessee causes a delay in the repair process, then the Daily Charge shall apply to each day of such delay.
   d. Lessee shall deliver Lessee's Property to Advanced Helicopter Services. within fifteen (15) calendar days

of receipt of the Leased Equipment or as per current contract in effect. Lessee is fully responsible for the cost of shipping Lessee's Property to Advanced Helicopter Services. In the event Lessee does not deliver Lessee's Property to Advanced Helicopter Services. within the allotted timeframe, Lessee shall pay a daily fee of

$300.00 (three hundred) USD per day for each day beyond the 15th (fifteenth) day the property is not received at Advanced Helicopter Services., the fee contained in this Section 3.h is in addition to the Lease Charges referenced in Article 3.a. herein above.

e. Lessee shall return Leased Equipment in accordance with Article 7.d. herein below.

f. Prior to execution of this Lease Agreement Advanced Helicopter Services. may require Lessee to pay a deposit in the amount designated in Article 1 above. This deposit shall remain in a non-interest bearing account with Advanced Helicopter Services. until such time as the Leased Equipment has been returned by Lessee to Advanced Helicopter Services., inspected by Advanced Helicopter Services and Lessee has filed all Monthly Operating Reports related to the Leased Equipment whereupon, Advanced Helicopter Services. shall apply such deposit to Lessee's account.

4. INVOICING AND PAYMENT

a. Lessee shall provide Advanced Helicopter Services., by email transmission addressed to engines@advheli.com, on or before the tenth (10th) day of each month, the operating hours and cycles for the Leased Equipment for the immediately preceding month using the Monthly Operating Report, the form of which is attached hereto and made a part hereof as Exhibit 1.

b. In the event that Lessee fails to timely provide the report specified in 4.a. above or fails to accurately report the hours and cycles for the Leased Equipment, Lessee shall be subject to and liable for an additional charge equal to the greater of the amount due based on the accurate report multiplied by 1.5% (one and one-half percent) per month or any portion thereof as of the date the Monthly Operating Report was due or $150.00 (one hundred fifty) USD.

c. Lessee shall pay and bear all federal, state and local sales, use, excise, personal property and other taxes and all governmental assessments, fees and charges imposed on or in connection with any equipment covered by this Lease Agreement. Lessee shall file any necessary returns connected therewith and shall reimburse Advanced Helicopter Services. for any and all such charges paid by Advnaced Helicopter Services. with respect to such taxes, charges and assessments, including any and all charges for interest and penalties resulting from any late filing or payment due to Lessee's fault or negligence.

d. In the event the Lease designated in Article 1 hereinabove is not the result of a claim under warranty, Lessee shall be responsible for any and all costs associated with the shipment of the Leased Equipment, including without limitation, freight, insurance, and transfer charges, from and to Advanced Helicopter Services facility. In the event the Lease designated in Article 1 above is accepted as a repair under warranty, Advanced Helicopter Services. shall be responsible for all costs associated with shipment of Leased Equipment to Lessee's premises.

e. In the event the Lease designated in Article 1 hereinabove is not the result of a valid warranty claim, Lessee shall be responsible for any and all costs associated with the shipment of Lessee's Property and the Leased Equipment, including without limitation, freight, insurance, and transfer charges, to and from Advanced Helicopter Services facility. In the event Lessee's Property, designated in Article 1 above is accepted as a repair under warranty, Advanced Helicopter Services. shall be responsible for all costs associated with return of Lessee's Property to Lessee.

f. Advanced Helicopter Services. shall issue to Lessee an invoice, on a monthly basis, for payment at Lessee's billing address. All amounts due to Advanced Helicopter Services. under this Lease Agreement shall be due and payable to Advanced Helicopter Services. within thirty (30) days following the invoice date. Any amounts not paid when due shall bear interest at the rate of 1.5% (one and one-half percent) per month until paid.

g. Lessee shall remit all payments to Advanced Helicopter Services. at: 17986 County RD 94B, Woodland, CA 95695 or at such other place as Advanced Helicopter Services. may designate in writing.

5. CHANGES OF PRICES, TERMS AND CONDITIONS Advanced Helicopter Services may, at its sole discretion, amend this Lease Agreement or any part thereof, including prices, terms and conditions, upon thirty (30) days prior written notice to Lessee. Lessee may terminate this Lease Agreement upon the effective date of such amendment and upon giving a fifteen (15) days prior written notice to Advanced Helicopter Services. at the address specified in 4.g. above.

6. OWNERSHIP OF EQUIPMENT

a. This is a Lease Agreement to lease only and shall not in any way be construed as a contract or agreement for the sale of the Leased Equipment.

b. Lessee acknowledges and agrees that Black Mountain Aviation LLC. is the owner of all Leased Equipment leased hereunder, all of which shall remain subject to possession and control by Black Mountain Aviation LLC.

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 termination or expiration of this Lease Agreement in any manner.

d. Lessee shall not sell, transfer, sublease or pledge as security any Leased Equipment, or portion thereof, covered by this Lease Agreement and shall neither make nor permit any alterations to the Leased Equipment without the prior written consent of Advanced Helicopter Services / Black Mountain Aviation. Leased equipment is subleased by Advanced Helicopter Services to Lessee..

e. Lessee shall not relocate the Leased Equipment to a site other than that where the Leased Equipment was first delivered under this Agreement without the prior written consent of Advanced Helicopter Services., such consent may be withheld by Advanced Helicopter Services. for any reason whatsoever.

f. Lessee shall provide to Advanced Helicopter Services. prior written notice of any change in the ownership or identity of Lessee. Upon receipt of the written notice regarding a change in ownership or identity, Advanced Helicopter Services. shall have the option of terminating this Lease Agreement.

g. Lessee shall be responsible for all risk of loss to Leased Equipment during the term of this Lease Agreement.

h. Advanced Helicopter Services may substitute equipment of like kind and quality for any of the Leased Equipment leased under this Lease Agreement. Lessee shall afford Advanced Helicopter Services unrestricted access to the Leased Equipment.

7. RETURN OF EQUIPMENT

a. Upon the expiration or termination of this Lease Agreement, Leased Equipment shall be returned forthwith and without delay, in packaging which conforms to the manufacturer's specification for long distance freight, to Advanced Helicopter Services using one of the following shipment options and in accordance with return of Leased Equipment guidelines set forth in this Article:

a.1. Lessee shall ship at its own risk and expense Leased Equipment to Advanced Helicopter Services.;

b. Lessee shall return Leased Equipment in the same condition as when received by Lessee, ordinary wear and tear excepted. Upon return of the Leased Equipment Advanced Helicopter Services. shall inspect said Leased Equipment. In the event Leased Equipment is returned in unsatisfactory condition, Advanced Helicopter Services. shall invoice additional charges to Lessee for any and all costs incurred by Advanced Helicopter Services.

to; (i.) clean, repair and replace any damage to Leased Equipment, (ii.) replacement of any missing parts and (iii.) repair or replacement of any component or accessory.

c. Leased Equipment is leased as complete and acknowledged as such by Lessee. Lessee shall return Leased Equipment in identical configuration.

d. Leased Equipment shall be shipped along with updated logbook or log cards reflecting any and all maintenance and inspections performed, and additional documentation as referenced in Article 7.a, to Advanced Helicopter Services within (10) days following the expiration or termination of this Lease Agreement for any reason. In the event Lessee fails or refuses to do so within this time limit, an amount equal to
$300 (three hundred) per day shall be assessed against Lessee as liquidated damages, and not as a penalty, for each day until Leased Equipment is returned to Advanced Helicopter Services. Leased Equipment must be shipped to Advanced Helicopter Services or available to the freight service for pick-up within the allotted timeframe after receipt of its repaired or overhauled Lessee Property. Beyond this time limit, Lessee shall pay the full Lease Charges, as referenced in Article 3.a. in addition to the $300.00 (three hundred) per day fee.

e. Within 10 hours prior to Lessee removing Leased Equipment from Lessee's aircraft, Lessee shall carry out the following checks in accordance with the applicable manual for Lessee's aircraft/engine:

i) Ground Run Checks; (ii) Vibration Checks; (iii) FCU or HMU Characteristics Control; and (iv) Power Assurance Check; and (v) Usual checks after last daily flight.

f. Lessee shall record in the logbook (along with Post Rental Checks Form; Exhibit 2) : (i.) power ratings and (ii.) removal entries prior to Leased Equipment removal.

g. Lessee's failure to perform, record and report the power assurance checks and removal entries will result in Lessee being subject to and liable for an additional charge in an amount corresponding to the cost incurred by Advanced Helicopter Services. to perform the necessary checks on SAFRAN HELICOPTER ENGINES USA INC.'s test bench along with any cost incurred to make the engine serviceable.

8. INSURANCE

a. Lessee shall, during the term of this Lease Agreement, provide and maintain All Risk Physical damage Insurance in the amount of full replacement value for all Leased Equipment while in the custody of Lessee or in transit to and from Advanced Helicopter Services & Black Mountain Aviation LLC.. Such insurance is to take effect at the time and place of shipment to Lessee and shall remain in effect until Leased Equipment is returned to Advanced Helicopter Services..

b. Lessee shall, during the term of this Lease Agreement, maintain All Risk Ground and Flight Hull Insurance with respect to Leased Equipment in the amount of full replacement value of the Leased Equipment.

c. Lessee shall, during the term of this Lease Agreement, maintain at all times Aircraft and Bodily Injury and Property Damage Insurance, including Passengers, Combined Single Limit in an amount of at least $5,000,000.00 for Operators with 1 to 5 helicopters; at least $10,000,000.00 for Operators with 6 or more helicopters.

d. Any and all insurance policies required herein shall include the following provisions: (i) all policies must include Advanced Helicopter Services & Black Mountain Aviation LLC., and its affiliate, as additional named insured; (ii) with respect to All Risk Physical Damage And All Risk Ground Flight Hull Insurance, policies are to be endorsed with Loss Payable Clause in favor of Advanced Helicopter Services & Black Mountain Aviation LLC, as its interest may appear; (iii) all policies must provide Contractual Liability Insurance evidencing that coverage is provided as respects the indemnification clause contained in Article 9 herein below; (iv) Lessee and its respective insurance carriers each shall and hereby do waive any rights of subrogation they each may have against Advanced Helicopter Services & Black Mountain Aviation, except where any such claim giving rise to possible subrogation is due solely and directly to the failure of Leased Equipment where such failure is not due to any fault or negligence of the Lessee; (v) the insurance required hereunder shall be primary and not contributing with any insurance carried by Advanced Helicopter Services / Black Mountain Aviation LLC.; (vi) all policies must provide that Advanced helicopter Services. will be given thirty (30) days advance notice of material change in or cancellation of the above coverage; and (vii) in the event of loss, any deductible is to be paid solely by the Lessee.

e. To help expedite and alleviate the burden of obtaining endorsements for each lease agreement; Lessee shall provide, on annual basis and/or at the inception of the new policy, any applicable endorsements that may be necessary for all appropriate policies addressing any Leased Equipment leased from Advanced Helicopter Services. under any lease agreement that is active during the policy period or the fiscal year.

9. INDEMNIFICATION. Lessor agrees to indemnify, defend with counsel approved in writing by Lessee, and hold Lessee, its elected and appointed officials, officers, employees, agents and those special districts and agencies which Lessee's Board of Supervisors acts as the governing Board ("Lessee Indemnitees") harmless from any claims, demands or liability of any kind or nature, including but not limited to personal injury or property damage, arising from or related to the services, products or other performance provided by Lessor pursuant to this Contract. If judgment is entered against Lessor and Lessee by a court of competent jurisdiction because of the concurrent active negligence of Lessee or Lessee Indemnitees, Lessor and Lessee agree that liability will be apportioned as determined by the court. Neither Party shall request a jury apportionment. Notwithstanding anything stated above, nothing contained herein shall relieve Lessor of any insurance requirements of obligations created elsewhere in this Contract.

10. OPERATION OF EQUIPMENT

a. Unless otherwise consented to in writing by Advanced Helicopter Services., Lessee shall operate Leased Equipment only in North or Central America.
b. Lessee shall permit only licensed and safe operators of the helicopter containing Leased Equipment.
c. Lessee shall not permit any Leased Equipment to be used in violation of federal, state or municipal statutes, laws, ordinances, rules, regulations, or contrary to the provision of any applicable insurance policy.
d. Lessee shall notify Advanced Helicopter Services. 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 Advanced Helicopter Services. and the insurer fully informed of all claims, suits or proceedings arising out of any accident involving Leased Equipment. Lessee shall forward to insurer and Advanced Helicopter Services. 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 leased under this Agreement.

11. REPAIRS AND MAINTENANCE

a. Lessee shall be responsible for all expenses arising out of the operation of the Leased Equipment, including, without limitation, any equipment failures caused by:
   1. Lessee failing to operate Leased Equipment in accordance with the application manual and procedures established by Advanced Helicopter Services.; and
   2. Lessee's failure to properly transport, store, install, maintain, or utilize Leased Equipment in accordance with the current operating recommendation and directions of Advanced Helicopter Services.; and
   3. Leased Equipment suffering damage due to, but not limited to, the following; poor maintenance, erosion, corrosion, overheating, surging, ingestion of foreign object(s) (FOD), hard landing or from the use of maximum contingency rating beyond the maximum limitation.

b. Advanced Helicopter Services. shall invoice Lessee and Lessee shall be liable for and shall pay to Advanced Helicopter Services. all amounts incurred by Advanced Helicopter Services to repair or overhaul Leased Equipment due to any of the above-described causes.

12. TERMINATION

This Lease Agreement may be terminated as follows:

a. Advanced Helicopter Services. may terminate this Lease Agreement without further liability upon written notice to Lessee, with such termination having immediate effect in the event that Lessee fails or refuses to deliver within fifteen (15) days from the date of receipt of Leased Equipment its Lessee Property as described in Article 1 above that is to be repaired or overhauled.
b. Advanced Helicopter Services. may terminate this Lease Agreement without further liability, upon written notice to Lessee, with such termination having immediate effect, in the event that Lessee fails or refuses to provide its authorization to perform such repair or overhaul within thirty (30) days following its receipt of Advanced Helicopter Services cost estimate for such repair or overhaul of its Lessee Property.
c. Advanced Helicopter Services. may terminate this Lease Agreement without further liability upon written notice to Lessee with such termination having immediate effect, in the event that Lessee breaches any of the terms or conditions of this Lease Agreement or if Advanced Helicopter Services deems the Lease Agreement or the Advanced Helicopter Services ability to recover the Leased Equipment to be in jeopardy.
d. Either party may terminate this Lease Agreement for its own convenience and without further liability, upon thirty (30) days prior written notice to the other party.
e. Upon the expiration or termination of this Lease Agreement, Lessee shall immediately return Leased Equipment to Advanced Helicopter Services. at the location provided by Advanced Helicopter Services. In the event that Lessee fails or refuses to return Leased Equipment within fifteen (15) days, Advanced Helicopter Services may charge a daily late fee of $300.00.

13. NON-ASSIGNABILITY This Lease Agreement is not assignable by the Lessee.

14. **ATTORNEY'S FEES AND COSTS** Lessee shall pay all costs and expenses relating to enforcement or preservation of Advanced Helicopter Services / Black Mountain Aviation LLC rights under this Lease Agreement, including reasonable attorney's fees.

15. **EXTRAORDINARY RELIEF** Except for the obligation of payment, neither Advanced Helicopter Services nor Lessee shall be liable for non-performance caused by circumstances beyond its control, including but not limited to work stoppages, fire, civil disobedience, riots, rebellions and acts of God.

16. **WARRANTY** Lessor expressly warrants that the commodities covered by this Contract are 1) free of liens or encumbrances, 2) merchantable and good for the ordinary purposes for which they are used, and 3) fit for the particular purpose for which they are intended. Acceptance of this order shall constitute an agreement upon Lessor's part to indemnify, defend and hold Lessee and its indemnities as identified in the Insurance and Indemnification section, and as more fully described in the Insurance and Indemnification section harmless from liability, loss, damage and expense, including reasonable counsel fees, incurred or sustained by Lessee by reason of the failure of the goods/services to conform to such warranties, faulty work performance, negligent or unlawful acts, and non-compliance with any applicable state or federal codes, ordinances, orders, or statutes, including the Occupational Safety and Health Act (OSHA) and the California Industrial Safety Act. Such remedies shall be in addition to any other remedies provided by law.

17. **NOTICES** All notices required pursuant to this Lease Agreement shall be mailed to: Advanced Helicopter Services. at its office address, 17986 County RD 94B, Woodland, CA 95695; and to the Lessee at the Lessee's billing address. All notices made pursuant to this Lease Agreement will be effective upon mailing.

18. **SEVERABILITY** If any term or provision of this Lease Agreement or the application thereof shall be invalid or unenforceable, the remainder of the Lease Agreement or the application of such term or provision of the Lease Agreement shall be valid and enforceable to the fullest extent of the law.

19. **BIND SUCCESSORS** This Lease Agreement shall inure to the benefit of and be binding upon the respective parties and their successors in interest, assigns and legal representatives.

20. **ENTIRE AGREEMENT** This instrument shall constitute the entire Lease Agreement between Advanced Helicopter Services / Black Mountain Aviation LLC and Lessee and except as otherwise provided herein, may be amended only by a written amendment executed by both parties. No waiver of any term or condition of this Lease Agreement shall be enforceable unless it shall be 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 Lease Agreement by the other shall not operate or be construed as a waiver of any subsequent breach by such other party.

21. **GOVERNING LAW** This Lease Agreement shall be interpreted in accordance with and governed by the laws of the State of California, U.S.A. without regard to its choice of law rules. In the event of any legal action to enforce or interpret this Contract, the sole and exclusive venue shall be a court of competent jurisdiction located in Orange County, California, and the parties hereto agree to and do hereby submit to the jurisdiction of such court, notwithstanding Code of Civil Procedure Section 394. Furthermore, the parties specifically agree to waive any and all rights to request that an action be transferred for adjudication to another county.

ADVANCED HELICOPTER SERVICES.

Advanced Helicopter Services Signature_____ Lessee Signature_____

DATE:_____DATE: _____

ADVANCED HELICOPTER SERVICES. LEASE AGREEMENT
MONTHLY OPERATING REPORT

Date:
Aircraft No.:
Customer Name:

Reporting Month:
Engine Model:
Telephone No.:

Engine No. 1		Hours			Cycles		
	S/N	Start	End	Usage	Start	End	Usage
Engine							
MO1							
MO2							
MO3							
MO4							
MO5							

Engine No. 2		Hours			Cycles		
	S/N	Start	End	Usage	Start	End	Usage
Engine							
MO1							
MO2							
MO3							
MO4							
MO5							

THIS FORM MAY BE E-MAILED TO THE FOLLOWING EMAIL ADDRESS: engines@advheli.com.
MONTHLY REPORTS MUST BE RECEIVED BY ADVANCED HELICOPTER SERVICES BY THE 10TH DAY OF EACH MONTH FOR THE PRECEEDING MONTH'S FLIGHT ACTIVITY.

TM Site Address	Reference: _____

Post Rental Checks

(results to be sent to TURBOMECA)

Customer :

Address : Tel Nbr :
Fax Nbr :

Helicopter Type : TSN :
Serial number :
Registration : TSO :

Engine / Module Type : P/N : S/N :

At installation	Date	TSN	TSO	CSN	CSO	Oil type
At removal	Date	TSN	TSO	CSN	CSO	Oil type

Description of Work:

For stand alone module : power check required for gas generator module only.

1. Ground run in accordance with Maintenance Manual chapter 71.
2. Vibration check in accordance with Maintenance Manual chapter 71
3. Inspection after last flight of the day in accordance with Maintenance Manual chapter 5.
4. Engine power check in accordance with Flight Manual

For Arriel 1 :

1. FCU characteristics check in accordance with Maintenance Manual chapter 73.
2. Rear bearing permeability check in accordance with Maintenance Manual chapter 72

Date: Technician: