County of Los Angeles
Sheriff's Department Headquarters
4700 Ramona Boulevard
Monterey Park, California 91754-2169

LEROY D. BACA, SHERIFF

July 11, 2006

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
Los Angeles, California 90012

Dear Supervisors:

APPROVAL OF MODEL AGREEMENT FOR AIRPLANE MAINTENANCE, ENGINEERING AND REPAIR SERVICES (ALL DISTRICTS) (3 VOTES)

IT IS RECOMMENDED THAT YOUR BOARD:

1. Approve and instruct the Sheriff to sign the attached Model Agreement with Jet Source, Incorporated, to provide airplane maintenance, engineering and repair services (maintenance) for the Sheriff's Department's (Department) Aero Bureau, for a term of three (3) years, with options to extend for up to two (2) additional one (1) year periods, and one (1) six-month period in any increment, effective upon approval by the Sheriff.

2. Approve delegated authority to the Sheriff to a) enter into Maintenance Agreements, substantially similar to the attached Agreement, with other vendors who meet the County's minimum qualifications and with the prior approval of the Office of County Counsel; and b) terminate any existing and future Maintenance Agreements when necessary. The delegated authority is being requested to streamline the Department's process for existing and future Maintenance Agreements and amendments. The delegated authority will be effective upon Board approval and continue through the term of each Agreement.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

Approval of the Model Agreement will allow the Department to obtain maintenance services from various qualified contractors for major repairs and/or overhaul services to the Aero Bureau's airplanes and related components.

Implementation Of Strategic Plan Goals

The proposed Agreement supports the County's Strategic Plan Goal Number 2, Workforce Excellence. Specifically, the Agreement will enable the Department to ensure the continued reliable and safe operation of its fleet of law enforcement airplanes in support of countywide law enforcement services.

FISCAL IMPACT/FINANCING

The annual expenditure of these services is estimated to be approximately $500,000. Over the term of the Agreements, appropriate allocations will be established in the Department's annual budget to meet anticipated needs each fiscal year. However, actual expenditures will only be incurred on an as-needed basis.

The Department has identified funds in the Fiscal Year 2006-07 operating budget to begin this service. Funding required to provide these services will be budgeted annually.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

The action requested will establish Agreements with various maintenance service companies to provide multiple maintenance services that can better facilitate the varying situations and circumstances that must be considered to keep the airplanes operational. Multiple Agreements will provide pre-established rates for the services provided, and will continue to allow a price comparison for services among vendors providing similar services. Establishing contracts with multiple vendors will provide the Department with more flexibility in the selection of a qualified vendor based on price, support capabilities, and time constraints. Qualified vendors who enter into an Agreement with the County are not guaranteed a minimum amount of work, nor shall they have any exclusive right to provide services to the County.

Qualified vendors must be licensed repair stations, certified and approved by the Federal Aviation Administration (FAA) under Federal Aviation regulation Part 145 for the appropriate power plant, component overhaul, or airframe maintenance repair services being bid; or operate an Approved Maintenance Organization (AMO), verified by Transport Canada under Canadian Aviation regulations Part V, subpart 73.

The Department's airplane fleet consists of 3 airplanes, and these airplanes log approximately 600 flight hours each year in support of law enforcement missions. Air services provided by the Department have increased in recent years due to the greater demand for law enforcement aviation support. Additionally, as the fleet ages, the need for maintenance services will increase.

The Department provides all organizational maintenance for these aircraft with a staff of qualified maintenance personnel. The services being sought are inclusive of all parts and labor related to heavy maintenance, special engineering, and power plant/component overhaul services which are beyond the capability of the Department's airplane maintenance staff.

This Model Agreement is in compliance with all Board, Chief Administrative Office, and County Counsel requirements, and has been approved as to form by County Counsel.

CONTRACTING PROCESS

The Department issued a Request for Statements of Qualifications (RFSQ) to three companies and posted the solicitation on both the Los Angeles County Website and the Department's Website. The contractors selected to participate in this solicitation were referred by aircraft manufacturers, companies with previous experience with the Department, and any company that requested inclusion on the qualifier's list. Statements of Qualifications (SOQs) are reviewed by staff from within the Department. The evaluation of SOQs are based on each company's ability to satisfy the minimum requirements and provide appropriate licensing and certifications.

One contractor has, to date, been determined to be qualified, and is prepared to enter into an Agreement. Approval of this Model Agreement will permit the Department to contract with additional contractors as they become available.

IMPACT ON CURRENT SERVICES

There will be no negative impact on current Department operations and services. Approval of this Model Agreement will facilitate expeditious service to the Department's fleet of airplanes. These services are required to keep vital aircraft in continuous, reliable and safe working order for emergencies and for rapid response to law enforcement activities.

CONCLUSION

Upon approval by your Board, please return two (2) adopted copies of this action to the Sheriff's Department's Contracts Unit.

The Department's contact for the requested Board action is Captain Joseph Impellizeri, Sheriff's Aero Bureau, at (562) 421-2701.

Sincerely,

LEROY D. BACA
SHERIFF

LDB:TLW:FEW:HKY:AF:af
(Fiscal Administration-Contracts Unit)

Attachment

c: Board of Supervisors, Justice Deputies (5)
Sachi A. Hamai, Executive Officer, Board of Supervisors
David E. Janssen, Chief Administrative Officer
Sharon R. Harper, Deputy Chief Administrative Officer
Sheila Williams, Departmental Analyst, Chief Administrative Office
J. Tyler McCauley, Auditor-Controller
Raymond Fortner, County Counsel
Gary Gross, Deputy County Counsel
Paul K. Tanaka, Assistant Sheriff
Sandra S. Hutchens, Chief, Office of Homeland Security
Victor Rampulla, Division Director, Administrative Services Division (ASD)
Glen Dragovich, Assistant Division Director, ASD
Joseph P. Impellizeri, Captain, Aero Bureau
Teri L. Wilhelm, Director, Fiscal Administration, ASD
Merrill E. Ladenheim, Sergeant, ASD
Frank E. Williams, Assistant Director, Fiscal Administration, ASD
Henry K. Yee, Manager, Contracts Unit
C. Arzate, OA II, ASD
Chrono File

(CONTRACTS_Airplane Maint. 07_11_06)

AGREEMENT

BY AND BETWEEN

COUNTY OF LOS ANGELES

AND

JET SOURCE, INCORPORATED

FOR

AIRPLANE MAINTENANCE, ENGINEERING AND REPAIR SERVICES

FOR THE

LOS ANGELES COUNTY SHERIFF'S DEPARTMENT

AERO BUREAU

LOS ANGELES COUNTY SHERIFF'S DEPARTMENT AGREEMENT

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RECITALS

THIS AGREEMENT is entered into as of the Effective Date by and between the County of Los Angeles ("County") and Jet Source, Incorporated, a corporation organized under the laws of California, located at 2056 Palomar Airport Road, Carlsbad, California 92008, ("Contractor"), for the Los Angeles County Sheriff's Department (the "Department").

WHEREAS, the Department desires to contract with private businesses for Airplane Maintenance, Engineering and Repair Services when certain requirements are met; and

WHEREAS, Contractor represents that it possesses the necessary special skills, knowledge and technical competence and sufficient staffing to provide such services; and

WHEREAS, this Agreement (as defined below) is authorized pursuant to California Government Code Section 31000.

NOW THEREFORE, In consideration of the mutual covenants contained herein and for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, County and Contractor agree as follows:

1.0 AGREEMENT AND INTERPRETATION

1.1 Agreement. This base document along with *Exhibits A through H*, any schedules attached hereto or thereto, and any Change Order or amendment from time to time hereto or thereto collectively constitute and throughout and hereinafter are referred to as the "Agreement." This Agreement shall constitute the complete and exclusive statement of understanding between County and Contractor and supersedes any and all prior or contemporaneous agreements, written or oral, and all communications between the parties relating to the subject matter of this Agreement.

1.2 Interpretation. In the event of any conflict or inconsistency in the definition or interpretation of any word, responsibility, schedule, or the contents or description of any Task, Subtask, Deliverable, goods, service, or other Work, or otherwise, such conflict or inconsistency shall be resolved by giving precedence first to this base document, and then to the Exhibits and any attachments thereto, according to the following priority:

1.2.1. Exhibit A – Additional Terms and Conditions

1.2.2. Exhibit B – Statement of Work

1.2.3. Exhibit C – Contractor's Maximum Labor Rates

1.2.4. Exhibit D – Sample Work Order Format

1.2.5. Exhibit F – Contractor's Assignment and Transfer of Copyright

1.2.6. Exhibit F – Contractor's EEO Certification

1.2.7. Exhibit G1 – Certification of No Conflict of Interest

1.2.8. Exhibit G2– Contractor's Employee Acknowledgement and Confidentiality Agreement

Exhibit G3– Contractor's Non-Employee Acknowledgment and Confidentiality Agreement

1.2.9. Exhibit H – Contractor's Administration

1.3 Additional Terms and Conditions. Without limiting the generality of *Subparagraph 1.1 (Agreement)*, attached hereto as *Exhibit A (Additional Terms and Conditions)*, and incorporated by reference herein, are additional terms and conditions to this Agreement. Contractor acknowledges and agrees that it shall be bound by the additional terms and conditions enumerated in such Exhibit as if such terms and conditions were enumerated in the body of this base document.

1.4 Construction. The words "herein", "hereof", and "hereunder" and words of similar import used in this Agreement refer to this Agreement, including all annexes, attachments, Exhibits, and Schedules as the context may require. Wherever from the context it appears appropriate, each term stated in either the singular or plural shall include the singular and the plural. Whenever examples are used in this Agreement with the words "including", "for example", "e.g.", "such as", "etc.", or any derivation of such words, such examples are intended to be illustrative and not limiting. Captions and Paragraph headings used in the Agreement are for convenience only and are not a part of the Agreement and shall not be used in construing the Agreement.

2.0 DEFINITIONS

The following terms and phrases in quotation marks and with initial letters capitalized shall have the following specific meaning when used in this Agreement.

2.1 "Agreement" has the meaning set forth in *Paragraph 1.1 (Agreement)*.

2.2 "Board" means the Los Angeles County Board of Supervisors.

2.3 "Business Day" means Monday through Friday, excluding County observed holidays.

2.4 "Change Order" has the meaning set forth in *Section 6.0 (Change Orders and Amendments)*.

2.5 "Contractor Key Personnel" has the meaning set forth in *Paragraph 4.5*.

2.6 "Contractor Project Director" has the meaning set forth in *Paragraph 4.1 (Contractor Project Director)*.

2.7 "Contractor Project Manager" has the meaning set forth in *Paragraph 4.2 (Contractor Project Manager)*.

2.8 "County" has the meaning set forth in the Recitals.

2.9 "County Counsel" means County's Office of the County Counsel.

2.10 "County Indemnitees" has the meaning set forth in *Paragraph 13.1 (Indemnification)* of *Exhibit A (Additional Terms and Conditions)*.

2.11 "County Project Director" has the meaning set forth in *Paragraph 3.1 (County Project Director)*.

2.12 "County Project Manager" has the meaning set forth in *Paragraph 3.2 (County Project Manager)*.

2.13 "Deliverable" means a service, product, or good to be provided by Contractor to County under this Agreement and identified as a numbered Deliverable in the Statement of Work or any approved Change Order or amendment.

2.14 "Department" has the meaning set forth in the *Recitals*.

2.15 "Dispute Resolution Procedure" has the meaning set forth in *Section 2.0 (Dispute Resolution Procedure)* of *Exhibit A (Additional Terms and Conditions)*.

2.16 "Effective Date" means the first date on which this Agreement has been executed by all parties and approved by the Board.

2.17 "Maximum Labor Rate Per Hour" or "MLR" means, for Contractor's personnel, the fully burdened maximum hourly rate set forth in *Paragraph 8.2 (Labor)*, which includes an allocated average of direct and indirect costs, overhead, and administrative expenses attributable to each personnel hour worked.

2.18 "Infringement Claims" has the meaning set forth in *Section 14.0 (Intellectual Property Indemnification)* of *Exhibit A (Additional Terms and Conditions)*.

2.19 "Initial Term" has the meaning set forth in *Section 7.0 (Term)*.

2.20 "Jury Service Program" has the meaning set forth in *Section 33.0 (Compliance with Jury Service Program)* of *Exhibit A (Additional Terms and Conditions)*.

2.21 "Option Term" has the meaning set forth in *Section 7.0 (Term)*.

2.22 "Preapproved Subcontractor" has the meaning set forth in *Section 1.0 (Subcontracting)* of *Exhibit A (Additional Terms and Conditions)*.

2.23 "Sheriff" means the elected official who is the Sheriff of the County of Los Angeles.

2.24 "Specifications" means the direction, provisions, and requirements contained in each Work Order and as supplemented by such special provisions as may be necessary pertaining to method, manner, and place of performing the work under the Agreement.

2.25 "Statement of Work" or "SOW" means the Statement of Work, attached as *Exhibit B (Statement of Work)* to this Agreement, as the same may be amended by any approved Change Order or amendment.

2.26 "Task" means one or more major areas of work to be performed under this Agreement and identified as a numbered Task in the Statement of Work or any approved Change Order or amendment.

2.27 "Tax" and "Taxes" means governmental fees (including license, filing and registration fees) and all taxes (including franchise, excise, stamp, value added, income, gross receipts, gross revenue, import, export, sales, use, transfer, and property taxes), withholdings, assessments, levies, imposts, duties, charges, or interest thereon imposed.

2.28 "Term" has the meaning set forth in *Section 7.0 (Term)*.

2.29 "Work" means any and all Tasks, Deliverables, goods, and other services performed by or on behalf of Contractor including the work required pursuant to this Agreement, the Statement of Work, and all the Exhibits, Change Orders, and amendments hereto.

2.30 "Work Order" means a subordinate agreement, attached as *Exhibit D (Sample Work Order Format)* to this Agreement, executed wholly within and subject to the provisions of the Agreement, for the performance of Tasks and/or provision of Deliverables as described in attached Specifications. No work shall be performed by CONTRACTOR except in accordance with validly executed Work Orders.

3.0 ADMINISTRATION OF AGREEMENT – COUNTY

3.1 County Project Director.

3.1.1 "County Project Director" for this Agreement shall be the following person:

Joseph P. Impellizeri, Captain
Los Angeles County Sheriff, Aero Bureau
3235 North Lakewood Boulevard
Long Beach, California 90808
Phone: (562) 421-1010
Fax: (323) 415-4524
E-mail: jpimpell@lasd.org

3.1.2 County will notify Contractor of any change in the name or address of County Project Director.

3.1.3 Except as set forth in *Section 6.0 (Change Orders and Amendments)* of this Agreement, County Project Director is not authorized to make any changes in any of the terms and conditions of this Agreement and is not authorized to further obligate County in any respect whatsoever.

3.1.4 County Project Director shall have the right at all times to inspect any and all Work provided by or on behalf of Contractor.

3.2 County Project Manager.

3.2.1 "County Project Manager" for this Agreement shall be the following person:

Dennis A. Thompson, Chief of Maintenance
Los Angeles County Sheriff, Aero Bureau
3235 North Lakewood Boulevard
Long Beach, California 90808
Phone: (562) 421-2701
Fax: (323) 415-3249
E-mail: d2thomps@lasd.org

Unless otherwise specifically noted, whenever this Agreement calls for a notice, report, or other delivery to be made by Contractor (or any representative thereof) to County Project Manager, such notice, report, or other delivery shall be made to County Project Manager in accordance with the notice information set forth above or in accordance with such other notice information as County may notify Contractor from time to time pursuant to *Subparagraph 3.2.2*.

3.2.2 County shall notify Contractor of any change in the name or address of the County Project Manager.

3.2.3 The County Project Manager shall be a resource for addressing the technical standards and requirements of this Agreement, shall interface

regularly with Contractor and further shall have the duties from time to time give to such person by County.

3.2.4 County Project Manager is not authorized to make any changes in any of the terms and conditions of this Agreement nor obligate County in any respect whatsoever.

3.2.5 County Project Manager shall advise County Project Director as to Contractor's performance in areas relating to technical requirements and standards, County policy, information requirements, and procedural requirements.

3.3 Consolidation of Duties. County reserves the right to consolidate the duties of County Project Director, which duties are enumerated in *Paragraph 3.1 (County Project Director)*, and the duties of County Project Manager, which duties are enumerated in *Paragraph 3.2 (County Project Manager)*, into one County position, and to assign all such duties to one individual who will act as County's liaison in all matters relating to this Agreement. County will notify Contractor no later than five (5) days prior to exercising its rights pursuant to this *Paragraph 3.3*.

3.4 County Personnel. All County personnel assigned to this Agreement shall be under the exclusive supervision of County. Contractor understands and agrees that all such County personnel are assigned only for the convenience of County.

4.0 ADMINISTRATION OF AGREEMENT – CONTRACTOR

4.1 Contractor Project Director

4.1.1 "Contractor's Project Director" is listed in *Exhibit H.* The Contractor shall notify the County in writing of any change in the name or address of the Contractor's Project Director.

4.1.2 Contractor Project Director shall be responsible for Contractor's performance of all of the Work and ensuring Contractor's compliance with this Agreement.

4.1.3 From the Effective Date through the expiration of the Term, Contractor Project Director shall be available to meet and confer with County Project Director at least monthly in person or by phone, to review project progress and discuss project coordination.

4.2 Contractor Project Manager

4.2.1 The "Contractor's Project Manager" is listed in *Exhibit H.* The Contractor shall notify the County in writing of any change in the name or address of the Contractor's Project Manager.

4.2.2 Contractor Project Manager shall be responsible for Contractor's day-to-day activities as related to this Agreement and shall coordinate with County's Project Manager on a regular basis with respect to all active Work Orders.

4.2.3 From the Effective Date through the expiration of the Term, Contractor Project Manager shall be available to meet and confer as necessary, in person or by phone, but no less frequently than monthly with County.

4.3 Contractor's Authorized Officials

4.3.1 Contractor's Authorized Official(s) are designated in *Exhibit H.* Contractor shall promptly notify County in writing of any change in the name(s) or address(es) of Contractor's Authorized Official(s).

4.3.2 Contractor represents and warrants that all requirements of Contractor have been fulfilled to provide actual authority to such officials to execute documents under this Agreement on behalf of Contractor.

5.0 WORK; APPROVAL AND ACCEPTANCE

5.1 General

Contractor acknowledges that, subject to this *Paragraph*, all Work performed under this Agreement, including pursuant to an executed Change Order or amendment, is payable on a per Work Order basis in accordance with the terms and conditions of this Agreement, including this *Section 5.0 (Work; Approval and Acceptance)*, *Section 8.0 (Prices and Fees)*, and *Section 10.0 (Invoices and Payments)*.

5.2 Pursuant to the provisions of this Agreement, the CONTRACTOR shall fully perform, complete and deliver on time, all deliverables, services and other work as set forth in each Work Order.

5.3 Work Orders shall conform to *Exhibit D (Sample Work Order Format)*. Each Work Order shall include Specifications that describe in detail the particular project and the work required for the performance thereof.

5.4 If CONTRACTOR provides any task, deliverable, service, or other work to COUNTY that utilizes other than approved CONTRACTOR personnel, and/or that goes beyond the scope of the Work Order expiration date, and/or that exceeds the Total Maximum Amount as specified in the Work Order bid as originally written, or as modified in accordance with the *Section 6.0, Change Notices and Amendments*, these shall be gratuitous efforts on the part of CONTRACTOR for which CONTRACTOR shall have no claim whatsoever against COUNTY.

5.5 COUNTY procedures for issuing and executing Work Orders are as set forth in this *Paragraph*. Upon determination by the COUNTY to issue a Work Order solicitation, the COUNTY may issue a Work Order solicitation containing Specifications to all Agreement CONTRACTORs qualified to perform the work in question, however, the COUNTY's Project Manager has the sole discretion to issue Work Order(s) to any of the Qualified CONTRACTORs pursuant to *Paragraph 5.6*. Each interested Qualified CONTRACTOR so contacted shall submit a bid to the COUNTY address and within the timeframe specified in the solicitation. Failure of CONTRACTOR to provide a bid within the specified timeframe may disqualify CONTRACTOR for that particular Work Order solicitation.

5.6 Upon completion of evaluations, COUNTY shall execute the Work Order by and through the Sheriff's Department staff identified in this Agreement with the lowest cost Qualified CONTRACTOR unless the Work Order solicitation specifies bid evaluation criteria other than lowest cost. The Sheriff's Department reserves the right to select CONTRACTOR(s) per job based on "best price/best source", time-to-completion of proposed work, and will consider timeliness of completed work based on previous jobs, and frequency of past job(s) in considering each bid. It is understood by CONTRACTOR that COUNTY's competitive bidding procedure may have the effect that no Work Orders are issued to some Agreement Qualified CONTRACTORs. Work Orders are usually issued for periods not extending past the end of COUNTY's current fiscal year (June 30th).

5.7 COUNTY estimates that the selection of any CONTRACTOR shall occur within five (5) business days of completion of the evaluations of the particular Work Order bids.

6.0 CHANGE NOTICES AND AMENDMENTS

No representative of either County or Contractor, including those named in this Agreement, is authorized to make any changes in any of the terms, obligations, or conditions of this Agreement, except through the procedures set forth in this *Section 6.0 (Change Orders and Amendments)*.

6.1 General

County reserves the right to change any portion of the Work required under this Agreement, or amend such other terms and conditions, as may become necessary. Any such revision shall be accomplished in the following manner:

6.1.1 For any change which affects the description of Work, time period, or amount of payment under a Work Order, the County Project Director and Contractor Authorized Official shall execute a Chang Notice to the Work Order.

6.1.2 For any change which does not materially affect the scope of Work, Term, Prices and Fees, or any other term or condition included under this Agreement, a Change Notice shall be executed by the County Project Director, with the concurrence of County Counsel, and Contractor Project Director. To the extent that extensions of time for Contractor performance do not impact either the scope of Work or cost of this Agreement, County Project Director, in County Project Director's discretion, may grant Contractor extensions of time in writing for the Work listed in the Statement of Work or otherwise in this Agreement provided that such extensions shall not extend the Term of this Agreement.

6.1.3 For any change which increases the Prices and Fees pursuant to *Paragraphs 8.3 or 9.2*, or changes the terms and conditions pursuant to requirements of the Board of Supervisors, County Counsel, or the County Chief Administrative Officer, the Sheriff and the Contractor Project Director shall execute an Amendment to the Agreement.

6.1.4 For any change that materially affects the scope of Work, period of performance, amount of payments, or any other term or condition in the body of this Agreement or *Exhibit A (Additional Terms and Conditions)*, then a negotiated Amendment to this Agreement shall be executed by the Board and Contractor.

6.2 Audit of Change Order Work.

County is entitled to audit, in accordance with *Section 42.0 (Records and Audits)* of *Exhibit A (Additional Terms and Conditions)*, Contractor's compliance with *Section 6.0 (Change Orders and Amendments)* in respect of Work performed pursuant to a Change Order.

7.0 TERM

7.1 This Agreement is effective upon the date of execution by the Sheriff. This Agreement shall expire on July 10, 2009, three (3) years after the date the Model Agreement was authorized by the Board of Supervisors unless sooner extended or terminated, in whole or in part, as provided herein.

7.2 The County shall have the option to extend the Agreement term for up to two (2) additional one-year periods and alternatively or additionally for a maximum period of six (6) months, in any increment, for a maximum total Agreement term of five (5) years and six (6) months from the date the Model Agreement was authorized by the Board of Supervisors. Each such option shall be exercised individually by the Sheriff by giving notice to the Contractor.

7.3 Contractor shall notify Los Angeles County Sheriff's Department when this Agreement is within six (6) months from the expiration of the term as provided for hereinabove. Upon occurrence of this event, Contractor shall send written notification to the County's Project Director at the address herein provided in *Section 3.0 (Administration of Agreement – County)*.

7.4 In the event that a Work Order is issued prior to the expiration of the Agreement, and which requires Work to be performed that will exceed the Term, all terms and conditions of this Agreement shall apply for purposes of that Work Order only until the Work is completed and paid for.

8.0 PRICES AND FEES

8.1 General

The prices and fees for this Agreement shall be the amount payable by County to Contractor for performing all tasks, deliverables, goods, services and any other work required under this Agreement. The Contractor shall not be entitled to payment or reimbursement for any deliverables, goods, services and any other work, nor for any incidental or administrative expenses whatsoever incurred in or incidental to performance hereunder, except as specified in this Agreement.

8.2 Labor

Except as stated in *Paragraph 9.2*, at no time during the term of this Agreement, shall the Maximum Labor Rate per Hour (MLR) for Work performed as a result of this Agreement exceed the MLR disclosed in *Exhibit C, Contractor's Maximum Labor Rates*.

8.3 Parts, Components, Raw Materials

Pricing for all parts, components, and/or raw materials (materials) used to perform Work as a result of this Agreement shall not exceed the published industry-standard resale pricing for said materials by any Original Equipment Manufacturer (OEM), authorized OEM reseller, the United States Navy, or any other source providing such materials to Contractor.

It shall be the responsibility of Contractor to provide to the County's Project Manager annually, or upon request, two (2) copies of current year proprietary Price Books (catalogues), or a current year bibliographic listing of price books used by Contractor to set pricing for materials.

The bibliography is a listing of all manufacturer and/or proprietary Price Books [Original Equipment Manufacturers (OEM), U.S. Navy, parts distributors and/or vendors authorized by the OEM] used by the Vendor to set resale pricing for parts, components and/or raw materials to be used throughout the term of the Agreement (refer to *Exhibit B, Statement of Work, Part III, A)*.

The bibliographic listing must alphabetically list the manufacturer's and/or supplier's name, address and phone number(s), internet website address, Price Book date or year of publication, and number of pages contained in the Price Book.

All Price Books and/or bibliographic listings shall be provided at no cost to County throughout the Term of this Agreement.

9.0 COUNTY'S OBLIGATION FOR FUTURE FISCAL YEARS

9.1 Notwithstanding any other provision of this Agreement, either expressly or by implication, County shall not be obligated for Contractor's performance hereunder or by any provision of this Agreement during any of County's future fiscal years unless and until the Board appropriates funds for this Agreement in County's budget for each such future fiscal year. In the event that funds are not appropriated for this Agreement, then this Agreement shall terminate as of June 30 of the last fiscal year for which funds were appropriated and such termination shall be deemed a termination for convenience pursuant to *Section 6.0 (Termination for Convenience)* of *Exhibit A (Additional Terms and Conditions)*. County shall endeavor to notify Contractor in writing of any such non-appropriation of funds at the earliest possible date.

9.2 Cost of Living Adjustments (COLAs)

The Agreement MLR published in *Paragraph 8.2 (Labor)* may be adjusted annually based on the increase or decrease in the U.S. Department of Labor, Bureau of Labor Statistics' Consumer Price Index (CPI) for the Los Angeles-Riverside-Orange County Area for the most recently published percentage change for the 12-month period preceding the agreement anniversary date, which shall be the effective date for any cost of living adjustment. However, any increase shall not exceed the general salary movement granted to County employees as determined by the Chief Administrative Office as of each July 1 for the prior 12-month period. Furthermore, should fiscal circumstances ultimately prevent the Board from approving any increase in County employees' salaries, no cost of living adjustments will be granted. COLAs shall implemented by Amendment to the Agreement executed by the Sheriff pursuant to *Section 6.0, (Change Orders and Amendments)*.

10.0 INVOICES AND PAYMENTS

For providing the deliverables, services, and other work authorized pursuant to this Agreement, Contractor shall separately invoice County for each Work Order by deliverable.

Payment for all work shall be on a fixed-price/not-to-exceed-cost per deliverable basis, subject to the total maximum amount specified in each Work Order, less any amounts assessed in accordance with *Section 11.0 (Liquidated Damages)*.

County shall not pay Contractor for any costs which exceed the total maximum amount specified in each Work Order or which exceed the published industry-standard resale pricing published by manufacturers of components, parts, and/or raw materials used by Contractor.

County shall not pay Contractor for any costs which exceed the published labor rate in *Paragraph 8.2 (Labor)* except as adjusted pursuant to *Paragraph 9.2 (COLAs)*.

10.1 Approval of Invoices

All invoices submitted by Contractor for payment must have the written approval of County Project Director, as evidenced by County Project Director's countersignature, prior to any payment thereof. In no event shall County be liable or responsible for any payment prior to such written approval. Invoices shall be submitted to the County Project Director identified in *Paragraph 3.1*, and a simultaneous duplicate copy to:

Los Angeles County Sheriff's Department
Accounts Payable
4700 Ramona Boulevard, Room 316
Monterey Park, California 91754

10.2 Detail. Each invoice submitted by Contractor shall include:

10.2.1 A complete description of the tasks, deliverables, goods, services, or other Work as described in *Exhibit B (Statement of Work)* and detailed in the original or properly amended Work Order for which payment is claimed and the amount of payment thereof.

10.2.2 Period of Performance

The period of performance specified in Contractor's invoice(s) must coincide with the period of performance specified in the applicable Work Order.

10.2.3 Additional Information. Each Invoice shall also include the following:

- County's Work Order number and Contractor's Agreement number;
- Period of performance of work being invoiced;
- Name(s) of persons who performed the Work;
- The number of labor hours used to complete the job;
- An itemized list of all parts, components, and/or raw materials used to complete the job together with manufacturer's part numbers;
- The itemized pricing for each part, component, and/or volume of raw materials used to complete the job;
- The number labor hours used to complete the Work;
- The Labor Rate Per Hour applicable to the Work Order;
- The total amount of the invoice.

10.3 No Out-of-Pocket Expenses

Contractor acknowledges that out-of-pocket expenses, including travel, meal, and lodging expenses, are not reimbursable by County. Accordingly, Contractor's invoices shall not include out-of-pocket expenses.

10.4 Contractor Responsibility

Contractor is responsible for the accuracy of invoices submitted to County. Further, it is the responsibility of Contractor to reconcile or otherwise correct inaccuracies or inconsistencies in the invoices submitted by Contractor.

10.5 County's Right to Withhold

In addition to any rights of County provided in this Agreement, or at law or in equity, County may, upon notice to Contractor, withhold payment for any Work while Contractor is in default hereunder, or at any time that Contractor has not provided County approved Work.

11.0 LIQUIDATED DAMAGES

11.1 If, in the judgment of the County Project Director, the Contractor is deemed to be non-compliant with the terms and obligations assumed hereby, the County Project Director, at his option, in addition to, or in lieu of, other remedies provided herein, may, for cause, withhold the entire monthly payment or deduct pro rata from the Contractor's invoice for Work not performed. Information regarding the Work not performed and the amount to be withheld or deducted from payments to the Contractor from the County will be forwarded to the Contractor by the County Project Director in a written notice describing the reasons for said action.

11.2 If the County Project Director determines that there are deficiencies in the performance of this Agreement that are over a certain time span, the County Project Director will provide a written notice to the Contractor to correct the deficiency within specified time frames. Should the Contractor fail to correct deficiencies within said time frame, the County Project Director may:

11.2.1 Deduct from the Contractor's payment, pro rata, those applicable portions of the monthly contract sum; or

11.2.2 Deduct liquidated damages. The parties agree that it will be impracticable or extremely difficult to fix the extent of actual damages resulting from the failure of the Contractor to correct a deficiency within the specified time frame. The parties hereby agree that under the current circumstances a reasonable estimate of such damages is Two Hundred Dollars (USD) ($200) per day per infraction, and that the Contractor shall be liable to the County for liquidated damages in the said amount. Said amount shall be deducted from the County's payment to the Contractor; and/or

11.2.3 Upon giving five (5) days notice to the Contractor for failure to correct the deficiencies, the County may correct any and all deficiencies, and the total costs incurred by the County for completion of the Work by an alternate source, whether it be County forces or separate private contractor, will be deducted and forfeited from the payment to the Contractor from the County, as determined by County.

11.3 The action noted in *Paragraph 11.2* shall not be construed as a penalty, but as an adjustment of payment to Contractor to recover the County cost due to the failure of Contractor to complete or comply with the provisions of this Agreement.

11.4 This *Paragraph* shall not, in any manner, restrict or limit the County's right to damages for any breach of this Agreement provided by law or as specified in the PRS or *Paragraph 11.2*, and shall not, in any manner, restrict or limit the County's right to terminate the Agreement as agreed to herein.

12.0 NOTICES

All notices or demands required or permitted to be given or made under this Agreement, unless otherwise specified, shall be in writing and shall be addressed to the parties at the following addresses and delivered: (a) by hand with signed receipt; (b) by first-class registered or certified mail, postage prepaid; (c) by facsimile or electronic mail transmission followed within twenty-four (24) hours by a confirmation copy mailed by first-class registered or certified mail, postage prepaid; or (d) by overnight commercial carrier, with signed receipt. Notice is deemed given at the time of signed receipt in the case of hand delivery, three (3) days after deposit in the United States mail as set forth above, on the date of facsimile or electronic mail transmission if followed by timely confirmation mailing, or on the date of signature receipt by the receiving part of any overnight commercial carrier delivery. Addresses may be changed by either party giving ten (10) days prior notice in accordance with the procedures set forth above, to the other party.

To County: (1) Los Angeles County Sheriff
Contracts Unit
4700 Ramona Boulevard, Suite 214
Monterey Park, California 91754
Attention: Mr. Angelo Faiella
Phone: (323) 526-5183
Fax: (323) 415-1246
E-mail: afaiell@lasd.org

with a copy to:

(2) Los Angeles County Sheriff's Department
Legal Advisory Unit
4700 Ramona Boulevard, Suite 225
Monterey Park, California 91754-2169
Attention: Contract Unit Counsel
Facsimile: (323) 267-6687

To Contractor: Jet Source, Incorporated
Attention: Patrick Tierney, Director of Avionics
Facsimile: 760-438-0526

The County Project Director shall have the authority to issue all notices or demands, which are required or permitted by County under this Agreement.

13.0 ARM'S LENGTH NEGOTIATIONS

This Agreement is the product of an arm's length negotiation between Contractor and County. Each party has had at all times the opportunity to receive advice from independent counsel of its own choosing. Accordingly, this Agreement is to be interpreted fairly as between the parties, and not strictly construed as against either party as drafter or creator.

14.0 SURVIVAL

The following Paragraphs of this Agreement shall survive its expiration or termination for any reason: 1, 2, 8, 10, 11, 12, 13, and all the terms and conditions set forth in *Exhibit A (Additional Terms and Conditions)*.

[Intentionally Left Blank]

AGREEMENT
BETWEEN COUNTY OF LOS ANGELES
AND
JET SOURCE, INCORPORATED

IN WITNESS WHEREOF, County of Los Angeles, by order of its Board of Supervisors, has caused this Agreement to be executed by the Sheriff, of the Los Angeles County Sheriff's Department and approved by County Counsel, and Contractor to be executed on its behalf by its duly authorized officer, this _____ day of _____, 2006.

COUNTY OF LOS ANGELES

By_____
SHERIFF

JET SOURCE, INCORPORATED

By _____
Contractor

Print Name: Jeff Gustafson

Title: Director of Maintenance

Date: 6/20/06

APPROVED AS TO FORM:

RAYMOND G. FORTNER, JR.
County Counsel

By _____
Gary Gross
Principal Deputy County Counsel

Date 6/22/06

CONTRACT
EXHIBITS
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ADDITIONAL TERMS AND CONDITIONS

The following additional terms and conditions are applicable to, and form a part of, the Agreement. Capitalized terms not otherwise defined in this *Appendix A, Additional Terms and Conditions* (as used in this *Appendix A, Additional Terms and Conditions*, this "Appendix") have the meanings given to such terms in the base document of the Agreement.

1.0 SUBCONTRACTING

1.1 General

County has relied, in entering into the Agreement, on the reputation of and on obtaining the personal performance of Contractor itself. Consequently, no performance of the Agreement, or any portion thereof, shall be subcontracted by Contractor except in accordance with the procedures set forth in this *Section 1.0, Subcontracting*. Any attempt by Contractor to subcontract any performance, obligation, or responsibility under the Agreement, except in accordance with the procedures set forth in this *Section 1.0, Subcontracting*, shall be null and void and shall constitute a material breach of the Agreement, upon which County may immediately terminate the Agreement.

1.2 Contractor Responsibilities.

1.3.1 Notwithstanding any County consent to any subcontracting, Contractor shall remain responsible for any and all performance required of it under the Agreement, including the obligation properly to supervise, coordinate, and perform, all Work required hereunder, and no subcontract shall bind or purport to bind County. Further, County approval of any subcontract shall not be construed to limit in any way Contractor's performance, obligations, or responsibilities, to County.

1.3.2 In the event that County consents to any subcontracting, such consent shall be subject to County's right to reject any and all subcontractor personnel providing services under such subcontract.

1.3.3 In the event that County consents to any subcontracting, Contractor shall cause the subcontractor, on behalf of itself, its successors and administrators, to assume and be bound by and shall be deemed to have assumed and agreed to be bound by each and all of the provisions of the Agreement and any amendment hereto as it relates to or affects the Work performed by subcontractor hereunder.

1.3.4 Contractor shall be solely liable and responsible for any and all payments and other compensation to all subcontractors and their officers, employees, and agents. County shall have no liability or responsibility whatsoever for any payment or other compensation for any subcontractors or their officers, employees, and agents.

2.0 DISPUTE RESOLUTION PROCEDURE

2.1 General

Contractor and County agree to act immediately to resolve mutually any disputes that may arise with respect to the Agreement. All such disputes shall be subject to the provisions of this *Section 2.0, Dispute Resolution Procedure* (such provisions are collectively referred to as the "Dispute Resolution Procedures"). Time is of the essence in the resolution of disputes.

2.2 Continued Work

Contractor and County agree that, the existence and details of a dispute notwithstanding, both parties shall continue without delay their performance hereunder, except for any performance, other than payment by County for approved Work, that the parties mutually determine should be delayed as a result of such dispute.

2.2.1 If Contractor fails to continue without delay its performance hereunder that County, in its discretion, determines should not be delayed as a result of such dispute, then any additional costs which may be incurred by Contractor or County as a result of Contractor's failure to continue to so perform shall be borne by Contractor, and Contractor shall make no claim whatsoever against County for such costs. Contractor shall promptly reimburse County for such County costs, as determined by the County, or County may deduct or offset all such additional costs from any amounts due to Contractor from County.

2.2.2 If County fails to continue without delay to perform its responsibilities under the Agreement which County, in its discretion, determines should not be delayed as a result of such dispute, then any additional costs incurred by Contractor or County as a result of County's failure to continue to so perform shall be borne by County, and County shall make no claim whatsoever against Contractor for such costs. County shall promptly reimburse Contractor for all such additional Contractor costs subject to the approval of such costs by County.

2.3 Dispute Resolution Procedures

In the event of any dispute between the parties with respect to the Agreement, Contractor and County shall submit the matter as follows:

2.3.1 Contractor and County shall first submit the matter to their respective Project Managers for the purpose of endeavoring to resolve such dispute.

2.3.2 If the Project Managers are unable to resolve the dispute within a reasonable time, not to exceed five (5) Business Days from the date of submission of the dispute, then the matter immediately shall be submitted to the parties' respective Project Directors for further consideration and discussion to attempt to resolve the dispute.

2.3.3 If the Project Directors are unable to resolve the dispute within a reasonable time not to exceed five (5) Business Days from the date of submission of the dispute, then the matter shall be immediately submitted to Contractor's president or chief operating officer and the Sheriff of the County of Los Angeles. These persons shall have five (5) Business Days to attempt to resolve the dispute.

2.3.4 In the event that at these levels, there is not a resolution of the dispute acceptable to both parties, then each party may assert its other rights and remedies provided under the Agreement and its rights and remedies as provided by law.

2.4 Documentation of Dispute Resolution Procedures

All disputes utilizing the Dispute Resolution Procedure shall be documented in writing by each party and shall state the specifics of each alleged dispute and all actions taken. The parties shall act in good faith to resolve all disputes. At all three (3) levels described in *Paragraph 2.3, Dispute Resolution Procedures*, the efforts to resolve a dispute shall be undertaken by conference between the parties' respective representatives, either orally, by face-to-face meeting or by telephone, or in writing by exchange of correspondence.

2.5 Not Applicable to County's Right to Terminate

Notwithstanding any other provision of the Agreement, County's right to terminate the Agreement pursuant to *Section 4.0, Termination for Insolvency*, *Section 5.0, Termination for Default*, *Section 6.0 Termination for Convenience*, or *Section 7.0, Termination for Improper Consideration*, in each case, of this Appendix, or any other termination provision hereunder, shall not be subject to the Dispute Resolution Procedure. The preceding sentence is intended only as a clarification of County's rights, and shall not be deemed to impair any claims that

Contractor may have against County or Contractor's rights to assert such claims after any such termination or such injunctive relief has been obtained.

3.0 CONFIDENTIALITY

3.1 General

Contractor shall maintain the confidentiality of all records and information, events or circumstances which occur during the course of Contractor's performance under the Agreement, in accordance with all applicable Federal, State, and local laws, regulations, ordinances, guidelines, and directives relating to confidentiality. Contractor shall inform all of its directors, officers, shareholders, employees, and agents providing services hereunder of the confidentiality provisions of the Agreement. Contractor shall provide to County an executed *Contractor's Employee Acknowledgment and Confidentiality Agreement, Exhibit F2* to the Agreement (attached to this Appendix), for each of its employees performing Work under the Agreement. Notwithstanding anything herein to the contrary, Contractor acknowledges and agrees that it is responsible for any breach of the obligations of confidentiality set forth herein by any person or entity to whom Contractor discloses such confidential information.

3.2 Disclosure of Information.

3.2.1 With respect to any confidential information obtained by Contractor pursuant to the Agreement, Contractor shall: (a) not use any such records or information for any purpose whatsoever other than carrying out the express terms of the Agreement; (b) promptly transmit to County all requests for disclosure of any such records or information; (c) not disclose, except as otherwise specifically permitted by the Agreement, any such records or information to any person or organization other than County without County's prior written authorization that the records are, or information is, releasable; and (d) at the expiration or termination of the Agreement, return all such records and information to County or maintain such records and information according to the written procedures sent to Contractor by County for this purpose.

3.2.2 Without limiting the generality of *Subparagraph 3.2.1* of this Appendix, in the event Contractor receives any court or administrative agency order, service of process, or request by any person or entity (other than Contractor's professionals) for disclosure of any such details, Contractor shall immediately notify the County Project Director. Thereafter, Contractor shall comply with such order, process, or request only to the extent required by applicable law. Notwithstanding the preceding sentence, to the extent permitted by law, Contractor shall delay such compliance and cooperate with County to obtain relief from such

obligations to disclose until County shall have been given a reasonable opportunity to obtain such relief.

3.3 Contractor Information

Any and all confidential or proprietary information which is developed or was originally acquired by Contractor outside the scope of this Agreement, which Contractor desires to use hereunder, and which Contractor considers to be proprietary or confidential, must be specifically identified by Contractor to the County Project Director as proprietary or confidential, and shall be plainly and prominently marked by Contractor as "proprietary" or "confidential." County shall undertake reasonably to maintain the confidentiality of materials marked by Contractor as "proprietary" or "confidential." Notwithstanding any other provision of this Agreement, County shall not be obligated in any way under this Agreement for:

3.3.1 Any of Contractor's proprietary and/or confidential materials not plainly and prominently marked with restrictive legends;

3.3.2 Any disclosure of any materials which County is required to make under the California Public Records Act or otherwise by law; and

3.3.3 Any materials indicating the volume, frequency and type of goods and services provided by Contractor, including, but not limited to use under *Section 25.0, Re-solicitation of Bids, Proposals, or Information*.

3.4 Use of County Name

In recognizing Contractor's need to identify its services and related clients to sustain itself, County shall not inhibit Contractor from publishing its role under the Agreement within the following conditions:

3.4.1 Contractor shall develop all publicity material in a professional manner.

3.4.2 During the Term, Contractor shall not publish or disseminate any commercial advertisements, press releases, feature articles, or other materials using the name of County without the prior written consent of the County Project Director, which shall not be unreasonably withheld or delayed.

3.4.3 Contractor may, without the prior written consent of County, indicate in its proposals and sales materials that it has been awarded the Agreement with County, provided that the requirements of this *Paragraph 3.4, Use of County Name* (other than the requirements set forth in *Subparagraph 3.4.2*) shall apply.

3.4.4 Notwithstanding anything herein to the contrary, County reserves the right to object to any use of County's name and Contractor shall cure promptly and prospectively any use of County's name that has been objected to by County.

3.5 Injunctive Relief

Contractor acknowledges that a breach by Contractor of this *Section 3.0, Confidentiality* may result in irreparable injury to County that may not be adequately compensated by monetary damages and that, in addition to County's other rights under the Agreement and at law and in equity, County shall have the right to injunctive relief to enforce the provisions of this *Section 3.0, Confidentiality*.

4.0 TERMINATION FOR INSOLVENCY

4.1 County may terminate the Agreement immediately at any time following the occurrence of any of the following:

4.1.1 Contractor has ceased to pay or has admitted in writing its inability to pay its debts for at least sixty (60) days in the ordinary course of business or cannot pay its debts as they become due, whether or not a petition has been filed under the United States Bankruptcy Code and whether or not Contractor is insolvent within the meaning of the United States Bankruptcy Code, provided that Contractor shall not be deemed insolvent if it has ceased in the normal course of business to pay debts that Contractor disputes in good faith;

4.1.2 The filing of a voluntary or involuntary petition (which involuntary petition is not dismissed within sixty (60) days) regarding Contractor under the United States Bankruptcy Code;

4.1.3 The appointment of a receiver or trustee for Contractor; or

4.1.4 The execution by Contractor of a general assignment for the benefit of creditors other than in the course of arranging financial lines of credit.

4.2 The rights and remedies of County provided in this *Section 4.0, Termination for Insolvency* shall not be exclusive and are in addition to any other rights and remedies provided at law or in equity, or under the Agreement.

4.3 Contractor agrees that if Contractor as a debtor-in-possession, or if a trustee in bankruptcy, rejects the Agreement, County may elect to retain its rights under the Agreement, as provided under Section 365(n) of the United States Bankruptcy Code (11 U.S.C. Section 365(n)). Upon written request by County to Contractor or the trustee in bankruptcy, as applicable, Contractor or such trustee shall allow

County to exercise all of its rights and benefits under the Agreement. The foregoing shall survive the termination or expiration of the Agreement for any reason whatsoever.

5.0 TERMINATION FOR DEFAULT

5.1 Event of Default

County may, upon notice to Contractor, terminate the whole or any part of the Agreement if Contractor fails to perform or provide any Work within the times specified in the Agreement, or Contractor breaches or fails to perform or comply with any of the other provisions of the Agreement, including the applicable notice and cure periods, if any (if no cure period is specified in the Agreement, Contractor shall have ten (10) days following notice from the County Project Director specifying such breach or failure to cure prior to termination under this *Section 5.0, Termination for Default*, or such longer period as the County Project Director may authorize, in writing, but in no event shall the period, as extended by the County Project Director, exceed thirty (30) days), provided that nothing in this *Paragraph 5.1* shall in any way limit or modify any rights of County or obligations of Contractor relating to timely performance by Contractor as otherwise set forth in the Agreement.

5.2 Deemed Termination for Convenience

If, after County has given notice of termination under the provisions of this *Section 5.0, Termination for Default* it is determined by County or otherwise that Contractor was not in default under the provisions of this *Section 5.0, Termination for Default* or that the default was excusable or curable under the provisions of this *Section 5.0, Termination for Default* the rights and obligations of the parties shall be the same as if the notice of termination had been issued pursuant to *Section 6.0, Termination for Convenience* of this Appendix except that no additional notice shall be required to effect such termination.

5.3 Completion of Work

Without limiting any of County's rights and remedies pursuant to the Agreement, upon the occurrence of any event giving rise to County's rights to terminate the Agreement, in whole or in part, pursuant to this *Section 5.0, Termination for Default*, County may, in lieu of such termination, (a) perform, or cause the performance of, any required correction, remedy and deficiency, replace any noncomplying Work, or take any other such action as may be reasonably required to promptly remedy such default, and (b) debit Contractor therefore at County's direct actual cost of outside labor and materials and County's burdened (including salary, employee benefits and reimbursement policies) rates for labor. Such debit shall be made against any amounts owed by County to Contractor under the Agreement. In the event County elects to proceed under this

Paragraph 5.3, Completion of Work, any Work created, modified, or repaired by or at the direction of County shall be deemed Work under the Agreement.

6.0 TERMINATION FOR CONVENIENCE

6.1 Termination for Convenience.

The Agreement may be terminated, in whole or in part from time to time, by County in its sole discretion for any reason. Termination of Work hereunder shall be effected by delivery to Contractor of a notice of termination specifying the extent to which performance of Work is terminated and the date upon which such termination becomes effective. The date upon which such termination becomes effective shall be no less than thirty (30) days after notice.

6.2 No Prejudice; Sole Remedy

Nothing in this *Section 6.0, Termination for Convenience* is deemed to prejudice any right of Contractor to make a claim against the County in accordance with this Agreement and applicable law and County procedures for payment for Work through the effective date of termination. Contractor, however, acknowledges that the rights and remedies set forth in this *Paragraph 6.2* shall be the only remedy available to Contractor in the event of a termination or suspension pursuant to this *Section 6.0, Termination for Convenience* by County.

7.0 TERMINATION FOR IMPROPER CONSIDERATION

7.1 County may, upon notice to Contractor, immediately terminate the right of Contractor to proceed under the Agreement if it is found that consideration, in any form, was offered or given by Contractor, either directly or through an intermediary, to any County officer, employee or agent with the intent of securing the Agreement or securing favorable treatment with respect to the award, amendment or extension of the Agreement or the making of any determinations with respect to Contractor's performance pursuant to the Agreement. In the event of such termination, County shall be entitled to pursue the same remedies against Contractor as it could pursue in the event of default by Contractor.

7.2 Contractor shall immediately report any attempt by a County officer or employee to solicit such improper consideration. The report shall be made either to the County manager charged with the supervision of the employee or to County Auditor-Controller's employee fraud hotline at (800) 544-6861.

7.3 Among other items, such improper consideration may take the form of cash, discounts, services, the provision of travel or entertainment, or tangible gifts.

8.0 TERMINATION FOR GRATUITIES

County may, by notice to Contractor, terminate the right of Contractor to proceed under the Agreement upon one (1) calendar day's notice, if it is found that gratuities in the form of entertainment, gifts, or otherwise were offered or given by Contractor, or any agent or representative of Contractor, to any officer, employee, or agent of County with a view toward securing a contract or securing favorable treatment with respect to the awarding or amending, or the making of any determinations with respect to the performing, of such contract. In the event of such termination, County shall be entitled to pursue the same remedies against Contractor as it could pursue in the event of default by Contractor.

9.0 EFFECT OF TERMINATION

9.1 Remedies

In the event that County terminates the Agreement in whole or in part as provided in *Section 4.0, Termination for Insolvency*, *Section 5.0, Termination for Default*, *Section 6.0, Termination for Convenience*, *Section 7.0, Termination for Improper Consideration,* or *Section 8.0, Termination for Gratuities*, in each case, of this Appendix, then:

9.1.1 Contractor shall (a) stop performing Work under the Agreement on the date and to the extent specified in such notice, (b) promptly transfer and deliver to County copies of all completed Work and Work that is in process, in a media reasonably requested by County, (c) promptly transfer and deliver all items previously paid for by County, and (d) complete performance of such part of the Work as shall not have been terminated by such notice;

9.1.2 Unless County has terminated the Agreement pursuant to *Section 6.0, Termination for Convenience* of this Appendix, County shall have the right to procure, upon such terms and in such a manner as County may determine appropriate, goods, services, and other Work, similar and competitive to those so terminated, and Contractor shall be liable to County for, and shall promptly pay to County by cash payment, any and all excess costs reasonably incurred by County, as determined by County, to procure and furnish such similar goods, services, and other Work;

9.1.3 Contractor shall promptly return to County any and all of County's confidential information that relates to that portion of the Agreement or Work terminated by County;

9.1.4 Contractor shall tender promptly payment to County, and shall continue to tender payment for the duration, of any liquidated damages levied

pursuant to the *Agreement, Section 10.0, Liquidated Damages*, to the extent applicable; and

9.1.5 Contractor and County shall continue the performance of the Agreement to the extent not otherwise terminated.

9.2 Transition Services

Contractor agrees that in the event of any termination of the Agreement, as a result of the breach hereof by either party, or for any other reason, including expiration, Contractor shall fully cooperate with County in the transition by County to a new Contractor, toward the end that there be no interruption of the Department's day to day operations due to the unavailability of the Work during such transition. Contractor agrees that if County terminates the Agreement pursuant to *Section 6.0, Termination for Convenience* of this Appendix or *Paragraph 5.2, Deemed Termination for Convenience* of this Appendix, Contractor shall perform transition services, and shall invoice County for such transition services determined in accordance with the rates specified in *Section 4.0, Price* of the Agreement, in accordance with a transition plan to be agreed upon, in advance, by the County Project Director and the Contractor Project Director. Contractor further agrees that in the event that County terminates the Agreement for any other breach by Contractor, Contractor shall perform transition services at its own expense. In connection with the provision of any transition services pursuant to this *Paragraph 9.2, Transition Services*, Contractor shall provide to the County Project Director, on request by the County Project Director, documentation that reasonably details the source and amount of the expenses Contractor purports to have incurred in the provision of such transition services.

9.3 Remedies Not Exclusive

The rights and remedies of County set forth in this *Section 9.0, Effect of Termination* are not exclusive of any other rights and remedies available to County at law or in equity, or under the Agreement.

10.0 WARRANTY AGAINST CONTINGENT FEES

10.1 Contractor warrants that no person or selling agency has been employed or retained to solicit or secure the Agreement upon any agreement or understanding for a commission, percentage, brokerage, or contingent fee, excepting bona fide employees or bona fide established commercial or selling agencies maintained by Contractor for the purpose of securing business.

10.2 For breach of this warranty, County shall have the right to terminate the Agreement and, in its discretion, deduct from the Agreement price or

consideration, or otherwise recover, the full amount of such commission, percentage, brokerage, or contingent fee.

11.0 AUTHORIZATION WARRANTY

Contractor and the person executing the Agreement on behalf of Contractor hereby represent and warrant that the person executing the Agreement for Contractor is an authorized agent who has actual authority to bind Contractor to each and every term, condition, and obligation of the Agreement and that all requirements of Contractor have been fulfilled to provide such actual authority.

12.0 FURTHER WARRANTIES

Contractor represents, warrants and further covenants and agrees to the following:

12.1 Contractor bears the full risk of loss due to total or partial destruction of all or any part any goods acquired from Contractor, as applicable, until acceptance by the County.

12.2 At the time of delivery to and acceptance by County, all goods shall be new, in good working order, in conformity with manufacturer's published specifications and descriptions, and free from defects in workmanship and materials, as determined by County.

12.3 Contractor shall, in the performance of all Work, strictly comply with the descriptions and representations (including performance capabilities, accuracy, completeness, characteristics, specifications, configurations, standards, functions, and requirements) as set forth in this Agreement, including the Statement of Work.

12.4 All Work shall be performed in a timely and professional manner by qualified personnel.

12.5 Contractor and each of its personnel performing Work hereunder have all permits, licenses, and certifications necessary to perform Contractor's obligations under the Agreement.

13.0 INDEMNIFICATION AND INSURANCE

13.1 Indemnification

Contractor shall indemnify, defend, and hold harmless County, its districts administered by County, and their elected and appointed officers, employees, and agents (the "County Indemnitees") from and against any and all liability (alleged or actual), including damages, losses, fees, costs, and expenses (including defense costs and legal, accounting and other expert witness,

consulting, attorney and other professional fees) in any way arising from, connected with, or related to Contractor's, Contractor's agents', employees', officers', directors', or shareholders' acts, errors or omissions. Any legal defense pursuant to Contractor's indemnification obligations under this *Section 13.0, Indemnification and Insurance* shall be conducted by Contractor and performed by counsel selected by Contractor and approved by County in writing, which approval shall not be unreasonably withheld or delayed. Contractor shall not, however, without County's prior written approval, accept any settlement, or enter a plea of guilty or *nolo contender*, to any charge or claim that results in other than a monetary judgment against County Indemnitees, which monetary judgment shall not exceed Contractor's ability to pay and which shall be paid by Contractor.

13.2 General Insurance Requirements

Without limiting Contractor's obligations of indemnification and defense of County Indemnitees, Contractor shall provide and maintain at its own expense during the Term the following programs of insurance covering its operations under the Agreement, as specified in this *Paragraph 13.2, General Insurance Requirements*. Such insurance shall be primary to and not contributing with any other insurance or self-insurance programs maintained by County.

13.2.1 Evidence of Insurance

Certificates or other evidence of coverage satisfactory to the County's Risk Manager, and evidence of such programs satisfactory to County, shall be delivered to:

Los Angeles County Sheriff's Department
Mr. Angelo Faiella, Contracts Unit
4700 Ramona Boulevard, Room 214
Monterey Park, California 91754-2169

on or before the execution of the Agreement by the Board. Such certificates or other evidence shall at a minimum:

(i) Specifically identify the Agreement;

(ii) Clearly evidence all coverages required in the Agreement;

(iii) Contain express conditions that County is to be given notice by registered mail at least thirty (30) days prior to any termination of any program of insurance, and, with respect to any modification of any program of insurance, at least thirty (30) days in advance or immediately following Contractor's first receipt of notice of modification in the event Contractor receives less than thirty (30) days advance notice of such modification;

(iv) Include copies of the additional insured endorsement to the commercial general liability policy, naming all County Indemnitees as insureds for all activities arising from the Agreement; and

(v) Identify any deductibles or self-insured retentions for County's approval. County retains the right to require Contractor to reduce or eliminate such deductibles or self-insured retentions as they apply to County Indemnitees, or, require Contractor to provide a bond guaranteeing payment of all such retained losses and related costs, including expenses or fees, or both, related to investigations, claims administrations, and legal defense. Such bond shall be executed by a corporate surety licensed to transact business in the state of California.

13.2.2 Insurer Financial Ratings

Insurance is to be provided by an insurance company acceptable to County with an A.M. Best rating of not less than A:VII, unless otherwise approved by County's Risk Manager.

13.2.3 Insurance Programs

At a minimum, Contractor shall maintain during the Term programs of insurance which consists of:

(a) General/Aviation Liability: The type and amount of general or aviation liability coverage will depend on whether the CONTRACTOR is providing maintenance, engineering, and/or repair services that are Type1 "critical" or Type 2 " non-critical" to the safe operations and flight of the aircraft listed in *Exhibit B, Statement of Work*.

Listed below in *Sub-Paragragh 13.2.3(a)* is the requirement for CONTRACTORs providing maintenance, engineering, and/or repair services that are defined as critical (Type 1 Coverage) to the safe operations and flight of the aircraft;
Sub-Paragragh 13.2.3 (b) is the requirement for CONTRACTORs providing non-critical (Type 2 Coverage) services as identified in *Exhibit B, Statement of Work*.

If at any time, CONTRACTOR is qualified to perform both critical and non-critical services (Type 1 and Type 2) as defined in *Exhibit B, Statement of Work*, CONTRACTOR shall carry and maintain the maximum liability coverages defined below in *Sub-Paragragh 13.2.3 (a), TYPE 1,* throughout the term of this Agreement.

(i) TYPE 1 COVERAGE - Aviation Comprehensive General Liability insurance with limits of not less than the following and include a severability-of-interest clause providing that such policy shall operate in the same manner as if there were a separate policy covering each insured:

Premises/Contractual Liability	$3 million
Products/Completed Operations:	$3 million
Personal/Advertising Injury:	$3 million
Hangarkeepers Liability:	$3 million/aircraft

If written with an annual aggregate limit, the aviation policy limit should be three times the above-required occurrence limit.

(ii) TYPE 2 COVERAGE - Commercial General Liability (or equivalent Aviation Liability) insurance written on ISO policy form CG 00 01 or its equivalent with limits of not less that the following:

General Aggregate:	$2 million
Products/Completed Operations Aggregate:	$1 million
Personal/Advertising Injury:	$1 million
Each Occurrence:	$1 million

If either of the above coverages are written on a claim form, the CONTRACTOR shall be required to provide an extended two-year reporting period commencing upon termination or cancellation of this Agreement.

(c) Comprehensive auto liability insurance (written on an ISO policy form CA 00 01 or its equivalent) endorsed for owned, non-owned, and hired vehicles, or coverage for "any auto" with a limit of not less than one million dollars ($1,000,000) per accident.

(d) Workers' compensation insurance in an amount and form required by the California Labor Code (or the labor code of any other applicable state), covering all persons for which Contractor is responsible and all risks to such persons under the Agreement. Such insurance shall include employer's liability coverage covering accident and disease. In respect of accident, the limit shall be no less than one million dollars ($1,000,000) per accident, and, in respect of disease, the policy limit shall be no less than one million dollars ($1,000,000) and one million dollars ($1,000,000) for each employee.

13.2.4 Notification of Incidents, Claims or Suits

Contractor shall report to County:

(i) Any accident or incident relating to services performed under the Agreement which involves injury or property damage which may result in the filing of a claim or lawsuit against Contractor or County. Such report shall be made in writing within twenty-four (24) hours of occurrence.

(ii) Any third party claim or lawsuit filed against Contractor arising from or related to services performed by Contractor under the Agreement. Such report shall be made in writing within twenty-four (24) hours of the earlier of service of process of such claim or lawsuit, or Contractor otherwise has knowledge of such claim or lawsuit.

(iii) Any injury to a Contractor staff member which occurs on County property. This report shall be submitted on a County "Non-employee Injury Report" to the County Project Director. Such report shall be made in writing within twenty-four (24) hours of occurrence.

(v) Any loss, disappearance, destruction, misuse, or theft of any kind whatsoever of County property, monies or securities entrusted to Contractor under the terms of the Agreement. Such report shall be made in writing within twenty-four (24) hours of occurrence.

13.3 Failure to Procure and Maintain Insurance

Failure on the part of Contractor to procure and maintain all the required insurance shall constitute a material breach of the Agreement upon which County may terminate the Agreement pursuant to *Section 5.0, Termination for Default* of this Appendix and seek all remedies pursuant to *Section 9.0, Effect of Termination* of this Appendix, or alternatively, may purchase such required insurance coverage and debit Contractor pursuant to *Paragraph 5.3, Completion of Work* of this Appendix.

14.0 INTELLECTUAL PROPERTY INDEMNIFICATION

Contractor shall indemnify, defend, and hold harmless County Indemnitees pursuant to *Paragraph 13.1, Indemnification* of this Appendix, from and against any and all liability (alleged or actual), including damages, losses, costs, fees and other expenses (including defense costs and legal, accounting and other expert, consulting, attorney, or other professional fees), for or by reason of any actual or alleged infringement of any patent, copyright, trademark, or other proprietary rights of any third party, or any actual

or alleged trade secret disclosure of misappropriation, arising from or related to the operation of the Work under the Agreement (collectively referred to as "Infringement Claims").

15.0 BUDGET REDUCTIONS

In the event that the Board adopts, in any fiscal year, a County budget which provides for reductions in the salaries and benefits paid to the majority of County employees and imposes similar reductions with respect to County contracts, the County reserves the right to reduce its payment obligation correspondingly for that fiscal year and any subsequent fiscal year services provided by Contractor under this Agreement. The County's notice to the Contractor regarding said reduction in payment obligation shall be provided within thirty (30) calendar days of the Board's approval of such actions. Contractor shall continue to perform all of its obligations set forth in this Agreement.

16.0 FORCE MAJEURE

Except with respect to defaults of any subcontractors, Contractor shall not be liable for any such excess costs, if its failure to perform the Agreement arises out of fires, floods, epidemics, quarantine restrictions, other natural occurrences, strikes, lockouts (other than a lockout by Contractor or any of Contractor's subcontractors), freight embargoes, or other similar acts to those described above, but in every such case the failure to perform must be totally beyond the control and without any fault or negligence of Contractor. If the failure to perform is caused by the default of a subcontractor, and if such default arises out of causes beyond the control of both Contractor and subcontractor, and without any fault or negligence of either of them, Contractor shall not be liable for any such excess costs for failure to perform, unless the goods or services to be furnished by the subcontractor were obtainable from other sources in sufficient time to permit Contractor to meet the required performance schedule. Contractor agrees to use commercially reasonable best efforts to obtain such goods or services from other sources, and to mitigate the damages and reduce the delay caused by any of the above mentioned *force majeure* events. As used in this *Section 16.0, Force Majeure*, the term "subcontractor" and "subcontractors" mean subcontractors at any tier

17.0 CONTRACTOR RESPONSIBILITY AND DEBARMENT

17.1 A responsible Contractor is a Contractor who has demonstrated the attribute of trustworthiness, as well as quality, fitness, capacity and experience to satisfactorily perform the Agreement. It is County's policy to conduct business only with responsible Contractors.

17.2 The Contractor is hereby notified that, in accordance with Chapter 2.202 of the Los Angeles County Code, if the County acquires information concerning the performance of the Contractor on this or other contracts which indicates that the Contractor is not responsible, the County may, in addition to other remedies provided in the Agreement, debar the Contractor from bidding or proposing on, or

being awarded, and/or performing work on County contracts for a specified period of time, which generally will not to exceed five (5) years but may exceed five years or be permanent if warranted by the circumstances, and terminate any or all existing Agreements the Contractor may have with the County.

17.3 County may debar Contractor if the Board of Supervisors finds, in its discretion, that Contractor has done any of the following: (a) violated a term of a contract, including this Agreement, with County or a nonprofit corporation created by County; (b) committed an act or omission which negatively reflects on the Contractor's quality, fitness or capacity to perform a contract with the County, any other public entity, or a nonprofit corporation created by the County, or engaged in a pattern or practice which negatively reflects on same; (c) committed an act or offense which indicates a lack of business integrity or business honesty; or (d) made or submitted a false claim against County or any other public entity.

17.4 If there is evidence that Contractor may be subject to debarment, the Sheriff's Department will notify the Contractor in writing of the evidence which is the basis for the proposed debarment and will advise the Contractor of the scheduled date for a debarment hearing before the Contractor Hearing Board.

17.5 The Contractor Hearing Board will conduct a hearing where evidence on the proposed debarment is presented. The Contractor and/or the Contractor's representative shall be given an opportunity to submit evidence at that hearing. After the hearing, the Contractor Hearing Board shall prepare a tentative proposed decision, which shall contain a recommendation regarding whether the Contractor should be debarred, and, if so, the appropriate length of time of the debarment. Contractor and the Sheriff's Department shall be provided an opportunity to object to the tentative proposed decision prior to its presentation to the Board of Supervisors.

17.6 After consideration of any objections, or if no objections are submitted, a record of the hearing, the proposed decision and any other recommendation of the Contractor Hearing Board shall be presented to the Board. The Board shall have the right to modify, deny or adopt the proposed decision and recommendation of the Contractor Hearing Board.

17.7 If a Contractor has been debarred for a period longer than five years, that Contractor may, after the debarment has been in effect for at least five years, submit a written request for review of the debarment determination to reduce the period of debarment or terminate the debarment. The County may, in its discretion, reduce the period of debarment or terminate the debarment if it finds that the Contractor has adequately demonstrated one or more of the following: (a) elimination of the grounds for which the debarment was imposed; (b) a bona fide change in ownership or management; (c) material evidence discovered after

debarment was imposed; or (d) any other reason that is in the best interest of the County.

17.8 The Contractor Hearing Board will consider a request for review of a debarment determination only where (a) the Contractor has been debarred for a period longer than five years; (b) the debarment has been in effect for at least five years; and (3) the request is in writing, states one or more of the grounds for reduction of the debarment period or termination of the debarment, and includes supporting documentation. Upon receiving an appropriate request, the Contractor Hearing Board will provide notice of the hearing on the request. At the hearing, the Contractor Hearing Board shall conduct a hearing where evidence on the proposed reduction of debarment period or termination of debarment is presented. This hearing shall be conducted and the request for review decided by the Contractor Hearing Board pursuant to the same procedures as for a debarment hearing.

The Contractor Hearing Board's proposed decision shall contain a recommendation on the request to reduce the period of debarment or terminate the debarment. The Contractor Hearing Board shall present its proposed decision and recommendation to the Board of Supervisors. The Board of Supervisors shall have the right to modify, deny, or adopt the proposed decision and recommendation of the Contractor Hearing Board.

17.9 These terms shall also apply to subcontractors or sub-consultants of County contractors, including Contractor.

18.0 COMPLIANCE WITH APPLICABLE LAW

Contractor's activities and all materials used hereunder shall comply with all applicable Federal, State, and local laws, rules, regulations, ordinances, guidelines, and directives, including but not limited to applicable Federal Aviation Regulations and all provisions required thereby to be included in the Agreement, are hereby incorporated herein by reference. Unless provided otherwise under the Agreement, Contractor shall have up to fifteen (15) days to correct any noncompliance with County rules, regulations, ordinances, guidelines, and directives following notice from County including written copies of such applicable rules, regulations, ordinances, guidelines and directives.

19.0 FAIR LABOR STANDARDS

Contractor shall comply with all applicable provisions of the Federal Fair Labor Standards Act, and shall indemnify, defend, and hold harmless County, its officers, employees and agents from any and all liability, including damages, losses, wages, overtime pay, liquidated damages, penalties, court costs, fees and other expenses (including attorneys' fees) arising under any wage and hour law, including the Federal Fair Labor Standards Act for Work performed byContractor's employees.

20.0 NONDISCRIMINATION, AFFIRMATIVE ACTION, AND ASSURANCES

Contractor certifies and agrees that all persons employed by it, its affiliates, subsidiaries, or holding companies are and will be treated equally as required by applicable laws and regulations without regard to or because of race, color, religion, ancestry, national origin, sex, age, or physical or mental handicap, in compliance with all applicable Federal and State anti-discrimination laws and regulations.

20.1 Contractor shall certify to, and comply with, the provisions of Contractor's EEO certification.

20.2 Contractor shall take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to race, color, religion, ancestry, national origin, sex, age, or physical or mental handicap, in compliance with all applicable Federal and State anti-discrimination laws and regulations. Such action shall include: employment, upgrading, demotion, transfer, recruitment or recruitment advertising, layoff or termination, rates of pay or other forms of compensation, and selection for training, including apprenticeship.

20.3 Contractor certifies and agrees that it will deal with its bidders, or vendors as required by applicable laws and regulations without regard to or because of race, color, religion, ancestry, national origin, sex, age, or physical or mental handicap.

20.4 Contractor certifies and agrees that it, its affiliates, subsidiaries or holding companies, shall comply with all applicable Federal and State laws and regulations, including:

20.4.1 Title VII, Civil Rights Act of 1964;

20.4.2 Section 504, Rehabilitation Act of 1973;

20.4.3 Age Discrimination Act of 1975;

20.4.4 Title IX, Education Amendments of 1973, as applicable; and

20.4.5 Title 43, part 17, Code of Federal Regulations, subparts a & b;

And that no person shall, on the grounds of race, color, religion, ancestry, national origin, sex, age, or physical or mental handicap, be unlawfully excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under the Agreement, or under any project, program, or activity supported by the Agreement.

20.5 Contractor shall, with reasonable notice and during regular business hours, allow County representatives access to Contractor's employment records during

regular business hours to verify compliance with the provisions of this *Section 20.0, Nondiscrimination, Affirmative Action, and Assurances* when so requested by County; provided that County's access to such employment records of Contractor shall be limited to access that does not constitute an unlawful invasion of the privacy rights of any such employee. If County finds that any of the provisions of this *Section 20.0, Nondiscrimination, Affirmative Action, and Assurances* have been violated, such violation shall, at the election of County, constitute a material breach of the Agreement upon which County may immediately terminate the Agreement. While County reserves the right to determine independently that the anti-discrimination provisions of the Agreement have been violated, in addition, a determination by the California Fair Employment Practices Commission or the Federal Equal Employment Opportunity Commission that Contractor has violated State or Federal anti-discrimination laws or regulations such determination shall constitute a finding by County that Contractor has violated the anti-discrimination provisions of the Agreement. All determinations of violations made pursuant to this *Paragraph 20.5* shall be appealable by Contractor in accordance with applicable laws and regulations, and separately pursuant to the Dispute Resolution Procedures.

20.6 The parties agree that if Contractor violates the anti-discrimination provisions of the Agreement, County shall, at its option, be entitled to the sum of five hundred dollars ($500) for each such violation pursuant to California Civil Code Section 1671 as liquidated damages in lieu of terminating the Agreement.

21.0 NONDISCRIMINATION IN SERVICES

Contractor shall not discriminate in the provision of services hereunder because of race, color, religion, national origin, ancestry, sex, age, or physical or mental handicap, in accordance with all applicable requirements of Federal and State law. For the purpose of this *Section 21.0, Nondiscrimination in Services*, discrimination in the provision of services may include the following: (a) denying any person any service or benefit or the availability of the facility, (b) providing any service or benefit to any person which is not equivalent or is not provided in an equivalent manner or at an equivalent time to that provided to others, (c) subjecting any person to segregation or separate treatment in any manner related to the receipt of any service, (d) restricting any person in any way in the enjoyment of any advantage or privilege enjoyed by others receiving any service or benefit, and (e) treating any person differently from others in determining admission, enrollment quota, eligibility, membership, or any other requirements or conditions which persons must meet in order to be provided any service or benefit.

22.0 EMPLOYMENT ELIGIBILITY VERIFICATION

22.1 Contractor warrants that it fully complies with all Federal and State statutes and regulations regarding the employment of aliens and others and that all its employees performing Work under the Agreement meet the citizenship or alien

status requirements set forth in Federal and State statutes and regulations. Contractor shall obtain, from all employees performing Work hereunder, all verification and other documentation of employment eligibility status required by Federal statutes and regulations as they currently exist and as they may be hereafter amended.

22.2 Contractor shall retain all such documentation for the period prescribed by law. Contractor shall indemnify, defend, and hold harmless County Indemnitees pursuant to *Paragraph 13.1, Indemnification* of this Appendix from and against any and all liability (alleged or actual), including damages, losses, fees, costs, and expenses (including defense costs and legal, accounting and other expert witness, consulting or professional fees) arising out of or in connection with any employer sanctions and any other liability which may be assessed against Contractor or County in connection with any alleged violation of any Federal or State statutes or regulations pertaining to the eligibility for employment of any persons performing Work hereunder.

23.0 HIRING OF EMPLOYEES

Contractor and County agree that, during the Term and for a period of one (1) year thereafter, except with the prior written consent of the other party, neither party shall in any way intentionally induce or solicit any Project Director, Project Manager or other employee, of one party to become an employee or agent of the other party. Notwithstanding the foregoing, County shall be entitled to make offers of employment to employees of Contractor necessary or desirable to perform Work described in the Agreement, in the event that: (a) County has the right to terminate the Agreement pursuant to *Section 4.0, Termination for Insolvency* of this Appendix, (b) the Agreement is terminated by County due to Contractor's default pursuant to *Section 5.0, Termination for Default* of this Appendix, (c) without resolution acceptable to both parties, Contractor and County have followed the Dispute Resolution Procedures, or (d) Contractor either announces the withdrawal of support of, or otherwise no longer provides services County deems essential to, the ongoing support of the Work as applicable.

24.0 CONFLICT OF INTEREST

24.1 No County employee whose position with County enables such employee to influence the award of the Agreement or any competing agreement, and no spouse or economic dependent of such employee, shall be employed in any capacity by Contractor or have any other direct or indirect financial interest in the Agreement. No officer or employee of Contractor, who may financially benefit from the performance of Work hereunder, shall in any way participate in County's approval, or ongoing evaluation, of such Work, or in any way attempt to unlawfully influence County's approval or ongoing evaluation of such Work.

24.2 Contractor shall comply with all conflict of interest laws, ordinances and regulations now in effect or hereafter to be enacted during the Term. Contractor

warrants that it is not now aware of any facts that do or could create a conflict of interest. If Contractor hereafter becomes aware of any facts that might reasonably be expected to create a conflict of interest, it shall immediately make full written disclosure of such facts to County. Full written disclosure shall include identification of all persons implicated and a complete description of all relevant circumstances.

25.0 RESOLICITATION OF BIDS, PROPOSALS, OR INFORMATION

25.1 Contractor acknowledges that, prior to the expiration or earlier termination of the Agreement, County, in its discretion, may exercise its right to invite bids, request information, or request proposals for the continued provision of the goods and services delivered or contemplated under the Agreement. County shall make the determination to re-solicit bids, request information, or request proposals in accordance with applicable County policies.

25.2 Contractor acknowledges that County, in its discretion, may enter into a contract for the future provision of goods and services, based upon the bids, information, or proposals received, with a provider or providers other than Contractor. Further, Contractor acknowledges that it obtains no greater right to be selected through any future invitation for bids, request for information, or request for proposals by virtue of its present status as Contractor.

26.0 RESTRICTIONS ON LOBBYING

Contractor and each County lobbyist or County lobbying firm as defined in Los Angeles County Code Section 2.160.010, retained by Contractor, shall fully comply with the County lobbyist ordinance, Los Angeles County Code Chapter 2.160. Failure on the part of Contractor or any County lobbyist or County lobbying firm retained by Contractor to fully comply with County lobbyist ordinance shall constitute a material breach of the Agreement upon which County may immediately terminate or suspend the Agreement.

27.0 CONSIDERATION OF GAINPROGRAM PARTICIPANTS FOR EMPLOYMENT

Should Contractor require additional or replacement personnel after the Effective Date, Contractor shall give reasonable consideration for any such employment openings to participants in County's Department of Public Social Services' greater avenues for independence (in this *Paragraph*, "GAIN") or general relief opportunity for work (in this Paragraph, "GROW") programs who meet Contractor's minimum qualifications for the open position. For this purpose, consideration shall mean that Contractor will interview qualified candidates. County will refer GAIN participants by job category to Contractor. In the event that both laid-off County employees and GAIN/GROW participants are available for hiring, County employees shall be given first opportunity.

28.0 STAFF PERFORMANCE WHILE UNDER THE INFLUENCE

Subject to all applicable laws and regulations, Contractor shall use reasonable efforts to ensure that no employee will perform services hereunder while under the influence of any alcoholic beverage, medication, narcotic, or other substance, which might reasonably, or have been observed to, impair such person's physical or mental performance.

29.0 CONTRACTOR PERFORMANCE DURING CIVIL UNREST

Contractor recognizes that County provides services essential to the residents of the communities it serves, and that these services are of particular importance at the time of a riot, insurrection, civil unrest, natural disaster or similar event. Notwithstanding any other provision of this Appendix or the Agreement, full performance by Contractor during any riot, insurrection, civil unrest, natural disaster or similar event is not excused if such performance remains physically possible without related danger to Contractor's employees or suppliers. During any such event in which the health or safety of any of Contractor's staff members would be endangered by performing their services on-site, such staff members may perform any or all of their services remotely. Failure to comply with this requirement shall be considered a material breach of this Agreement by Contractor, for which County may immediately terminate this Agreement.

30.0 CONTRACTOR'S ACKNOWLEDGMENT OF COUNTY'S COMMITMENT TO CHILD SUPPORT ENFORCEMENT

Contractor acknowledges that County places a high priority on the enforcement of child support laws and the apprehension of child support evaders. Contractor understands that it is County's policy to encourage all County Contractors to voluntarily post County's "L A's Most Wanted: Delinquent Parents" poster in a prominent position at Contractor's place of business. CSSD will supply Contractor with the poster to be used.

31.0 CONTRACTOR'S WARRANTY OF ADHERENCE TO COUNTY'S CHILD SUPPORT COMPLIANCE PROGRAM

31.1 Contractor acknowledges that County has established a goal of ensuring that all individuals who benefit financially from County through County contracts are in compliance with their court-ordered child, family, and spousal support obligations in order to mitigate the economic burden otherwise imposed upon County and its taxpayers.

31.2 As required by County's Child Support Compliance Program (Los Angeles County Code chapter 2.200) and without limiting Contractor's duty under the Agreement to comply with all applicable provisions of law, Contractor warrants that it is now in compliance and shall during the Term maintain compliance with employment and wage reporting requirements as required by the Federal Social Security Act (42 U.S.C. Section 653a) and California Unemployment Insurance Code Section 1088.55, and shall implement all lawfully served wage and earnings withholding orders or County's CSSD notices of wage and earnings

assignment for child or spousal support, pursuant to California Code of Civil Procedure Section 706.031 and California Family Code Section 5246(b).

31.3 Failure of Contractor to maintain compliance with the requirements set forth in this *Section 31.0, Contractor's Warranty of Adherence to County's Child Support Compliance Program* shall constitute a default by Contractor under the Agreement. Without limiting the rights and remedies available to County under any other provision of the Agreement or at law or in equity, failure to cure such default within ninety (90) days of notice by the CSSD shall be grounds upon which County may suspend or terminate the Agreement pursuant to *Section 5.0, Termination for Default* of this Appendix.

32.0 RECYCLED-CONTENT PAPER

Consistent with the Board's policy to reduce the amount of solid waste deposited at County landfills, Contractor agrees to use recycled-content paper to the maximum extent possible in Contractor's provision of Work pursuant to the Agreement.

33.0 COMPLIANCE WITH JURY SERVICE PROGRAM

33.1 Jury Service Program

This Agreement is subject to the provisions of County's ordinance entitled Contractor Employee Jury Service ("Jury Service Program") as codified in Sections 2.203.010 through 2.203.090 of the Los Angeles County Code.

33.2 Written Employee Jury Service Policy.

33.2.1 Unless Contractor has demonstrated to County's satisfaction either that Contractor is not a "Contractor" as defined under the Jury Service Program (Section 2.203.020 of the Los Angeles County Code) or that Contractor qualifies for an exception to the Jury Service Program (Section 2.203.070 of the Los Angeles County Code), Contractor shall have and adhere to a written policy that provides that its employees shall receive from Contractor, on an annual basis, no less than five (5) days of regular pay for actual jury service. The policy may provide that employees deposit any fees received for such jury service with Contractor or that Contractor deduct from the employees' regular pay the fees received for jury service.

33.2.2 For purposes of this *Section 33.0, Compliance with Jury Service Program*, "Contractor" means a person, partnership, corporation or other entity which has a contract with County or a subcontract with a County contractor and has received or will receive an aggregate sum of $50,000 or more in any 12-month period under one or more County contracts or subcontracts. "Employee" means any California resident who is a full

time employee of Contractor. "Full time" means 40 hours or more worked per week, or a lesser number of hours if: (a) the lesser number is a recognized industry standard as determined by County, or (b) Contractor has a long-standing practice that defines the lesser number of hours as full-time. Full-time employees providing short-term, temporary services of 90 days or less within a 12-month period are not considered full-time for purposes of the Jury Service Program. If Contractor uses any subcontractor to perform services for County under the Agreement, the subcontractor shall also be subject to the provisions of this *Section 33.0, Compliance with Jury Service Program*. The provisions of this *Section 33.0, Compliance with Jury Service Program* shall be inserted into any such subcontract agreement and a copy of the Jury Service Program shall be attached to the agreement.

33.2.3 If Contractor is not required to comply with the Jury Service Program when the Agreement commences, Contractor shall have a continuing obligation to review the applicability of its "exception status" from the Jury Service Program, and Contractor shall immediately notify County if Contractor at any time either comes within the Jury Service Program's definition of "Contractor" or if Contractor no longer qualifies for an exception to the Jury Service Program. In either event, Contractor shall immediately implement a written policy consistent with the Jury Service Program. County may also require, at any time during the Term and at its sole discretion, that Contractor demonstrate to County's satisfaction that Contractor either continues to remain outside of the Jury Service Program's definition of "Contractor" or that Contractor continues to qualify for an exception to the Jury Service Program.

33.2.4 Contractor's violation of this *Section 33.0, Compliance with Jury Service Program* of this Appendix may constitute a material breach of the Agreement. In the event of such material breach, County may, in its sole discretion, terminate the Agreement or bar Contractor from the award of future County contracts for a period of time consistent with the seriousness of the breach.

34.0 BACKGROUND AND SECURITY INVESTIGATIONS

Background and security investigations of Contractor's staff may be required at the discretion of the County as a condition of beginning and continuing work under the Agreement. The cost of background checks is the responsibility of the Contractor.

35.0 ACCESS TO COUNTY FACILITIES

Contractor, its employees, and agents will be granted access to County facilities, subject to Contractor's prior notification to the County Project Director, for the purpose of executing Contractor's obligations hereunder. Contractor shall have no tenancy, or any other property or other rights in County facilities. While present at County facilities, Contractor's personnel shall be accompanied by County personnel at all times, unless this requirement is waived in writing prior to such event by the County Project Director.

36.0 COUNTY FACILITY OFFICE SPACE

In order for Contractor to perform services hereunder and only for the performance of such services, County may elect, subject to County's standard administrative and security requirements, to provide Contractor with office space and equipment, as determined at the discretion of the County Project Director, at County facilities, on a non-exclusive use basis. County shall also provide Contractor with reasonable telephone service and network connections in such office space for use only for purposes of the Agreement. County disclaims any and all responsibility for the loss, theft or damage of any property or material left at such County office space by Contractor.

37.0 DAMAGE TO COUNTY FACILITIES, BUILDINGS, OR GROUNDS

37.1 Contractor shall repair, or cause to be repaired, at its own cost, any and all damage to County facilities, buildings or grounds caused by Contractor or employees or agents of Contractor. Such repairs shall be made promptly after Contractor has become aware of such damage, but in no event later than thirty (30) days after the occurrence.

37.2 If Contractor fails to make timely repairs, County may make any necessary repairs. All costs incurred by County, as determined by County, for such repairs shall be repaid by Contractor by cash payment upon demand, or without limitation of all County's other rights and remedies provided at law or equity, or under the Agreement, County may deduct such costs from any amounts due to Contractor from County under the Agreement.

38.0 PHYSICAL ALTERATIONS

Contractor shall not in any way physically alter or improve any County facility without the prior written approval of the County Project Director, and County's Director of Internal Services Department, in their discretion.

39.0 FEDERAL EARNED INCOME TAX CREDIT

Contractor shall notify its employees that they may be eligible for the Federal Earned Income Credit under the Federal income tax laws. Such notice shall be provided in accordance with the requirements set forth in Internal Revenue Service Notice 1015.

40.0 ASSIGNMENT BY CONTRACTOR

40.1 Contractor shall not assign its rights or delegate its duties under the Agreement, or both, whether in whole or in part, without the prior written consent of County, in its discretion, and any attempted assignment or delegation without such consent shall be null and void. For purposes of this *Paragraph 40.1*, County consent shall require a written amendment to the Agreement, which is formally approved and executed by the parties, and which may be executed by the Sheriff on behalf of the County with the written concurrence of the County Counsel.

40.2 Shareholders, partners, members, or other equity holders of Contractor may transfer, sell, exchange, assign, or divest themselves of any interest they may have therein. However, in the event any such sale, transfer, exchange, assignment, or divestment is effected in such a way as to give majority control of Contractor to any person, corporation, partnership, or legal entity other than the majority controlling interest therein at the time of execution of the Agreement, such disposition is an assignment requiring the prior written consent of County in accordance with *Paragraph 40.1*.

41.0 INDEPENDENT CONTRACTOR STATUS

41.1 The Agreement is by and between County and Contractor and is not intended, and shall not be construed, to create the relationship of agent, servant, employee, partnership, joint venture, or association, as between County and Contractor. The employees and agents of one party shall not be, or be construed to be, the employees or agents of the other party for any purpose whatsoever. Contractor shall function as, and in all respects is, an independent Contractor.

41.2 County shall have no liability or responsibility for the payment of any salaries, wages, unemployment benefits, disability benefits, Federal, State, or local taxes, or other compensation, benefits, or taxes for any personnel provided by or on behalf of Contractor.

41.3 Contractor understands and agrees that all persons performing Work pursuant to the Agreement are, for purposes of workers' compensation liability, the sole employees of Contractor and not employees of County. County shall have no obligation to furnish, or liability for, workers' compensation benefits to any person as a result of any injuries arising from or connected with any Work performed by or on behalf of Contractor pursuant to the Agreement.

41.4 Contractor shall provide to County an executed *Contractor's Employee Acknowledgment and Confidentiality Agreement, Exhibit F2*, (attached to this Appendix) for each of its employees performing Work under the Agreement. Such agreements shall be delivered to the County Project Director.

42.0 RECORDS AND AUDITS

42.1 Contractor shall maintain accurate and complete financial records of its activities and operations relating to the Agreement, including any termination hereof, in accordance with generally accepted accounting principles. Contractor shall also maintain accurate and complete employment and other records relating to its performance of the Agreement. Contractor agrees that County, or its authorized representatives, shall, with reasonable notice and during regular business hours, have access to and the right to examine, audit, excerpt, copy or transcribe any pertinent transaction, activity, or records of Contractor relating to the Agreement; provided that County's access to such employment records of Contractor shall be limited to access that does not constitute an unlawful invasion of the privacy rights of any such employee. Should the examination and audit be performed by a non-County entity or should a non-County entity be requested by County to review information received pursuant to an audit or examination under this *Section 42.0, Records and Audits*, Contractor may require the non-County examiner or auditor, as the case may be, to execute a nondisclosure contract prior to any disclosure. The nondisclosure Contract shall limit the non-County entity's use of information received or reviewed in connection with the examination and audit to work performed specifically for the benefit of County. All such material, including all financial records, time cards and other employment records, shall be kept and maintained by Contractor and shall be made available to County during the Term and for a period of five (5) years thereafter unless County's written permission is given to dispose of any such material prior to such time. All such material shall be maintained by Contractor at a location in Los Angeles County, provided that if any such material is located outside Los Angeles County, then at Contractor's option, Contractor shall either (a) provide County with access to such material at a mutually agreed upon location inside Los Angeles County, or (b) pay County for travel, per diem, and other costs and expenses incurred by County to examine, audit, excerpt, copy or transcribe such material at such outside location.

42.2 If an audit is conducted of Contractor specifically regarding the Agreement by any Federal or State auditor, then Contractor shall file a copy of such audit report with County's Auditor Controller and the County Project Director within thirty (30) days of Contractor's receipt thereof, unless otherwise provided by applicable federal or state law or under the Agreement.

42.3 If, at any time during or after the Term, representatives of County conduct an audit of Contractor, as and to the extent permitted hereunder, regarding the Work

performed under the Agreement, the results of such audit, including any final determination in respect of an underpayment or overpayment, if any by County under the Agreement, shall be provided in writing to Contractor. Contractor shall have thirty (30) days to review the findings contained in such audit and notify County of any objection to the same. Such notice must include, in reasonable detail, the basis for Contractor's objection and any supporting documentation and analysis for Contractor's objection. If the parties cannot agree, within fifteen (15) days of receipt of Contractor's objection to the findings contained in County's audit, on the amount of underpayment or overpayment, if any, by County to Contractor hereunder, then either party may submit such matter to the Dispute Resolution Procedure, provided such matter shall be submitted initially, directly to the County Project Director and the Contractor Project Director. If Contractor fails to notify County of any objection it has to the findings of County's audit within the thirty (30) day period set forth above, Contractor waives any right to object to the findings of such audit, including any determination of overpayment by County. If such audit, whether initially following a waiver by Contractor of its right of objection or upon final determination pursuant to the Dispute Resolution Procedure, finds that County's dollar liability for any such Work is less than payments made by County to Contractor, then the difference, together with County's reasonable costs of audit, shall be either repaid by Contractor to County by cash payment upon demand or, at the discretion of the County Project Director, deducted from any amounts due to Contractor from County. If such audit finds that County's dollar liability for such Work is more than the payments made by County to Contractor, then the difference shall be paid to Contractor by County, but in no event shall County's payments to Contractor exceed the Maximum Contract Sum.

43.0 LICENSES, PERMITS, REGISTRATIONS, ACCREDITATION, AND CERTIFICATES

Contractor shall obtain and maintain in effect during the Term all licenses, permits, registrations, accreditation, and certificates required by all Federal, State, and local laws, ordinances, rules, and regulations, which are applicable to Contractor's services under the Agreement. Contractor shall further ensure that all of its officers, employees, and agents who perform services hereunder, shall obtain and maintain in effect during the Term all licenses, permits, registrations, accreditation, and certificates which are applicable to their performance hereunder. If and to the extent requested by County, Contractor shall provide copy of each such license, permit, registration, accreditation, and certificate, in duplicate, to Henry Yee, Manager, Sheriff's Department Contracts Unit, 4700 Ramona Boulevard, Room 214, Monterey Park, CA 91754-2169.

44.0 NO THIRD PARTY BENEFICIARIES

Notwithstanding any other provision of the Agreement, Contractor and County do not in any way intend that any person or entity shall acquire any rights as a third party

beneficiary of the Agreement, except that this *Section 44.0, No Third Party Beneficiaries* shall not be construed to diminish Contractor's indemnification obligations hereunder.

45.0 MOST FAVORED PUBLIC ENTITY

If Contractor's prices decline, or should Contractor, at any time during the Term, provide the same goods and substantially similar services under similar quantity, delivery, and other applicable terms and conditions to the State of California or any county, municipality, public agency, or district within California at prices below those set forth in the Agreement, then such lower prices shall be extended immediately to County.

46.0 COUNTY'S QUALITY ASSURANCE PLAN

County or its agent will evaluate Contractor's performance under the Agreement on not less than an annual basis. Such evaluation will include assessing Contractor's compliance with the terms and performance standards of the Agreement. Contractor deficiencies which County determines are severe or continuing and that may place performance of the Agreement in jeopardy if not corrected will be reported to the Board. The report will include improvement and corrective action measures taken by County and Contractor. If, following due cure and notice periods for any specified material breach, improvement does not occur consistent with the corrective action measures, County may terminate the Agreement or impose other penalties as specified in the Agreement.

47.0 CONSIDERATION OF HIRING COUNTY EMPLOYEES TARGETED FOR LAYOFF/OR RE-EMPLOYMENT LIST

Should Contractor require personnel in addition to those employed by Contractor on the Effective Date to perform the services set forth herein, Contractor shall give consideration for such employment openings to qualified, permanent County employees who are targeted for layoff or qualified, former County employees who are on a re-employment list during the life of this Agreement. For this purpose, consideration shall mean that Contractor will interview qualified candidates. Prior to consideration being given by Contractor, County will refer such County employees by job category to Contractor. The above obligations do not apply to positions filled by: (a) third parties who have subcontracted with Contractor to perform the services, or (b) Contractor's current employees.

48.0 CONTRACTOR TO NOTIFY COUNTY WHEN IT HAS REACHED 75% OF MAXIMUM CONTRACT SUM (UNDER CONTRACT SUM PROVISION)

Contractor shall maintain a system of record keeping that will allow Contractor to determine when it has incurred seventy-five percent (75%) of the Maximum Contract Sum. Upon occurrence of this event, Contractor shall send written notification to the County Project Director and the County Project Manager.

49.0 NO PAYMENT FOR SERVICES PROVIDED FOLLOWING EXPIRATION OR TERMINATION OF CONTRACT

Contractor shall have no claim against County for payment of any money or reimbursement, of any kind whatsoever, for any service provided by Contractor under the Agreement, after the expiration or other termination of this Agreement. Should Contractor receive any such payment it shall immediately notify County and shall immediately repay all such funds to County. Payment by County for services rendered after expiration or termination of this Agreement shall not constitute a waiver of County's right to recover such payment from Contractor. This provision shall survive the expiration or other termination of this Agreement.

50.0 SAFELY SURRENDERED BABY LAW

50.1 Notice to Employees

Contractor shall notify and provide to its employees residing in or working in the State of California, and shall require each subcontractor performing Work under this Agreement to notify and provide to its employees residing in or working in the State of California, a fact sheet regarding the Safely Surrendered Baby Law, its implementation in Los Angeles County, and where and how to safely surrender a baby. The fact sheet is available on the Internet at www.babysafela.org for printing purposes.

50.2 Contractor's Acknowledgement of County's Commitment to the Safely Surrendered Baby Law

Contractor acknowledges that County places a high priority on the implementation of the Safely Surrendered Baby Law. Contractor understands that it is County's policy to encourage all County Contractors to voluntarily post County's "Safely Surrendered Baby Law" poster in a prominent position at Contractor's place of business. Contractor will also encourage its subcontractors, if any, to post this poster in a prominent position in the subcontractor's place of business. County's Department of Children and Family Services will supply Contractor with the poster to be used.

51.0 WAIVER

No waiver by County of any breach of any provision of the Agreement shall constitute a waiver of any other breach or of such provision. Failure of County to enforce at any time, or from time to time, any provision of the Agreement shall not be construed as a waiver thereof. The rights and remedies set forth in the Agreement shall not be exclusive and are in addition to any other rights and remedies provided at law or in equity, or under the Agreement.

52.0 GOVERNING LAW, JURISDICTION, AND VENUE

The Agreement shall be governed by, and construed in accordance with, the substantive and procedural laws of the State of California applicable to contracts made and to be performed within that state. Contractor agrees and consents to the exclusive jurisdiction of the courts of the State of California (except with respect to claims that are subject to exclusive Federal subject matter jurisdiction, as to which Contractor agrees and consents to the exclusive jurisdiction of the United States District Court of the Central District of California) for all purposes regarding the Agreement and further agrees and consents that venue of any action brought hereunder shall be exclusively in the Central District of the Superior Court for the County of Los Angeles, California.

53.0 SEVERABILITY

If any provision of the Agreement is adjudged void or invalid for any reason whatsoever but would be valid if part of the wording thereof were deleted or changed, then such provision shall apply with such modifications as may be necessary to make it valid and effective. In the event that one or more of the provisions of the Agreement is found to be invalid, illegal or unenforceable in any respect, such provision shall be deleted here from and the validity, legality, and enforceability of the remaining provisions contained herein shall not in any way be affected or impaired thereby, unless the Agreement fails of its essential purpose because of such deletion.

54.0 RIGHTS AND REMEDIES

The rights and remedies of County provided in any given Paragraph, as well as throughout the Agreement, including throughout this Appendix, are non-exclusive and cumulative with any and all other rights and remedies under this Agreement, at law, or in equity.

55.0 FACSIMILE

Except for the parties initial signatures to the Agreement, which must be provided in "original" form, and not by facsimile, County and Contractor hereby agree to regard facsimile representations of original signatures of authorized officials of each party, when appearing in appropriate places on change notices or in other correspondence, notices, etc. requiring signatures, and received via communications facilities, as legally sufficient evidence that such original signatures have been affixed thereto, such that the parties need not follow up facsimile transmissions of such documents with subsequent (non-facsimile) transmission of "original" versions of such documents.

* * *

EXHIBIT B

STATEMENT OF WORK

Airplane Maintenance, Engineering and Repair Services

County of Los Angeles
Sheriff's Department

STATEMENT OF WORK

SCOPE

Eligible Vendors will be required by the Sheriff's Department to maintain, repair, overhaul, refurbish and/or modify the existing fleet of Departmental airplanes and their components, any future airplanes of like model that the Department may acquire, or surplus components for the above airplanes acquired by the Sheriff. Eligible Vendors will provide services for major repairs, including but not limited to: scheduled overhauls of dynamic components, engines and engine accessories, engineering support, structural airframe repairs and various non-critical component repairs.

All work listed in this document pertains only to the Cessna 210, Cessna Turbo 210 (T210) and Raytheon Super King Air B200 operated by the County of Los Angeles, and/or any components for the above aircraft that have been acquired after market by the Sheriff for the express or intended use on any of these airplanes.

SERVICE CLASS I – RAYTHEON SUPER KING AIR B200
SERVICE CLASS II – CESSNA 210
CESSNA TURBO 210 (T210)

I. SERVICE TYPE 1 – Critical Component Services (Items A through D)

A. Propeller Repair, Replacement, Overhaul and Balancing

Contractor or their authorized subcontractor shall furnish to Sheriff's Department on an as-needed, intermittent and temporary basis, all parts, labor and incidental materials necessary to perform repairs or overhauls to Sheriff's Department aircraft as described above, with exceptions noted. All aircraft components shall be delivered to the vendor and returned to the point of origination upon completion of the job at County's expense. Examples of the repair, overhaul or parts replacement work to be performed consist of, but are not limited to, the following:

1. Propeller(s) and Related Components - Overhaul, repair, static and dynamic balancing, replacement as required.

2. Propeller Governor - Overhaul, repair or replacement as required.

3. Specialized Services - such as Non-Destructive Testing and Technical Engineering support.

B. Powerplant Repair and Overhaul

Contractor or their authorized subcontractor shall furnish to the Sheriff's Department on an as-needed, intermittent and temporary basis, all parts, labor and incidental materials necessary to perform scheduled and unscheduled repairs and overhauls to the Pratt & Whitney PT6 series turbine engines installed on the Raytheon Super King Air B200 airplane, and the Continental series reciprocating engines installed on the two Cessna airplanes. All engines and related components shall be delivered to the Contractor, and returned by Contractor to the Sheriff's Department Aero Bureau located at 3235 Lakewood Boulevard, Long Beach, California 90808, at County's expense. Examples of work to be performed consist of, but are not limited to, the following:

1. Scheduled / Non-scheduled Engine Overhaul – Repair/replace engine components at prescribed engine time-life.

2. Scheduled / Non-scheduled engine mid-life inspections/overhaul – Inspection, repair/replacement of engine components at prescribed engine time-life.

3. Compressor Section - Inspection, repair, and overhaul to include internal component replacement and repairs.

4. Accessory Gear Box - Inspection, repair and overhaul to include internal and external component replacement and repairs.

5. Turbine/Modular Sections - Inspection, repair and overhaul of all internal components to include repair and replacement of power turbine wheels, nozzles and all other related turbine section components.

6. Combustion Section - Inspection, repair, overhaul and replacement of all internal and external component items.

7. Engine Accessories - Inspection, test/repair, replace and/or overhaul engine accessories to include but not limited to fuel injection systems, starter-generators, alternators, vacuum pumps, magnetos, fuel controls, fuel nozzles, fuel pumps/valves/filters, governors, bleed valves and related components.

8. Quality Assurance - Contractor may be required to conduct a teardown inspection to determine the extent of repairs necessary and provide an accurate cost estimate. After repairs have been completed, Contractor shall perform a quality assurance inspection to ensure all work has

been performed in accordance with factory prescribed maintenance procedures, and shall provide written documentation certifying the work performed.

9. Warranty - All engine-related components shall be inspected, repaired/replaced or overhauled to manufacturer's specifications and warranted against defects resulting from services rendered for a period of at least 90 days or 300 flight hours, whichever occurs first, unless otherwise warranted by parts supplier.

10. Performance Assurance - Contractor shall provide performance assurance on all turbine overhauls equal to or greater than 10% above minimum factory engine power specification requirements.

C. Airframe Inspection and/or Repairs

Contractor shall furnish to Sheriff's Department on an as-needed, intermittent and temporary basis all parts, labor and incidental materials necessary to perform scheduled and unscheduled structural airframe repairs and/or inspections on the Sheriff's Department aircraft listed above. Aircraft and/or components in need of maintenance services shall, at the discretion of County, 1) be delivered to the Contractor, and returned by Contractor to the Sheriff's Department Aero Bureau located at 3235 Lakewood Boulevard, Long Beach, California 90808, at County's expense, or 2) the work may be performed by Contractor at the Aero Bureau facility. Examples of the types of repairs and/or phase inspections that may be performed consist of, but are not limited to, the following:

1. Airframe Sheet Metal and Composite Surface Repairs - Structural repairs involving sheet metal and composite materials work to the basic airframe, landing gears, cowlings, doors, and all internal cabin metal surfaces, structures and instrument panels to include aircraft painting and exterior finishes.

2. Aircraft Hydraulic Systems, Electrical Systems, Lighting Systems, Braking Systems, Pressurization Systems, Fuel Storage/Transfer Systems, Deicing Systems, Lubrication Systems, and Associated Components - System testing, repairs, overhaul and component replacement.

3. Landing Gear - Repair, overhaul and component replacement of landing gear, struts, shock absorbers, wheels, brakes and all other related components.

4. Flight Control Systems - Repair, replace, overhaul and return to service all flight control system components, to include, but not limited

to cables, control tubes, control rods, bellcranks, support assemblies and related fittings, hydraulics and electronic or electrical components.

5. Airframe Inspections - Perform scheduled airframe phase and other periodic inspections (including annual inspections) in accordance with manufacturer specifications, or as required by the Sheriff's Department.

D. Avionics and Navigation Systems

Contractor shall furnish to Sheriff's Department on an as-needed, intermittent and temporary basis, all parts, labor and incidental materials necessary to perform needed repairs, component replacement and overhaul services on all avionics and navigation equipment installed on the listed airplanes. Avionics and navigation components/equipment shall, at the discretion of County, 1) be delivered to the Contractor, and returned by Contractor to the Sheriff's Department Aero Bureau located at 3235 Lakewood Boulevard, Long Beach, California 90808, at County's expense, or 2) the work may be performed by the Contractor at the Aero Bureau facility.

II. SERVICE TYPE 2 – Non-Critical Component Services Defined

Non-critical services and repairs, as defined by the Sheriff, are those services which do not directly affect the flight and operations of the airplane.

Contractor shall furnish to Sheriff's Department on an as-needed, intermittent and temporary basis, all parts, labor and incidental materials necessary to perform needed repairs, component replacement and overhaul services on, but not limited to, the following:

a) Night Vision Lighting/Alternate Lighting
b) Thermal Imagers and Video Cameras
c) Overlay Panel
d) Moving Map
e) Communication radios
f) PA and Siren System
g) Aviation Oxygen Bottles/Regulators
h) Air Conditioning/Heating Systems and Instruments
i) Aircraft Interiors - Repair and replacement of all aircraft interior components and accessories to include seats, upholstery, paneling, floors and surfaces, environmental systems and compartments to include aircraft painting and interior finishes.
j) Aircraft Washing, Detailing, Cleaning (Interior)
k) Aircraft Washing, Detailing, Cleaning (Exterior)

l) All other non-critical special-mission equipment installed on Sheriff's airplanes.

All components and related equipment listed above shall, at the discretion of County, 1) be delivered to the Contractor, and returned by Contractor to the Sheriff's Department Aero Bureau located at 3235 Lakewood Boulevard, Long Beach, California 90808, at County's expense, or 2) the work may be performed by Contractor at the Aero Bureau facility.

III. PROCESSES, CONTROLS, QUALITY, DEFINITIONS

For each Service Class and Service Type defined above, the following shall apply:

A. Parts Procurement, Engineering, Technical Assistance and Product Support

Contractor shall furnish to Sheriff's Department on an as-needed, intermittent and temporary basis, selected manufacturer-approved repair parts, aircraft components (new and/or overhauled), engineering and/or technical assistance and product support necessary for Sheriff's Department employees to perform scheduled and unscheduled maintenance inspections, repairs and/or component overhaul/replacement for the listed airplanes and related components. Aircraft repair parts and/or components shall be delivered to:

Sheriff's Department Aero Bureau
3235 Lakewood Boulevard
Long Beach, California 90808

Contractor shall provide as-needed engineering and technical assistance upon request.

1. Repair Parts Procurement - Contractor shall provide the Sheriff's Department with factory-approved new or certified overhauled replacement aircraft parts obtained directly from the original equipment manufacturer (OEM), authorized parts distributors and/or vendors authorized by the OEM to manufacturer and sell duplicate parts under Parts Manufacturing Authority (PMA). Selected vendors must either be original equipment manufacturers, factory-authorized distributors or factory-authorized Service Centers. Vendors must additionally certify to the County of Los Angeles that all parts sold to the County meet aircraft airworthiness and safety standards as established by Federal Aviation Regulations and/or the aircraft manufacturer.

2. Engineering and Technical Assistance - Contractor shall provide to the Sheriff's Department, as-needed engineering and technical assistance on the listed airplanes for specific projects associated with aircraft modifications, maintenance programs and/or Supplemental Type Certification requiring Federal Aviation Administration approval or compliance with technical specifications as specified by the aircraft manufacturer, FAA and/or County of Los Angeles aircraft airworthiness standards.

3. Product Support - Contractor shall provide to the Sheriff's Department required product support through alternate resources such as research and development of special parts, tools and/or modifications needed to support the listed airplane models, and design, engineer, manufacture and/or arrange approval of special parts and/or tooling needed to support a specific aircraft modification requirement which cannot otherwise be obtained from the aircraft manufacturer. Approval must be obtained from the Federal Aviation Administration, the aircraft manufacturer or aircraft airworthiness authority.

B. Materials and Supplies

This Agreement is intended for use to acquire and purchase aircraft parts, materials, and supplies incidental to the required repair work and/or services. The Sheriff, in an effort to mitigate repair costs, reserves the right to, whenever possible, provide the Contractor with after-market, serviceable components in either new or certified overhauled condition.

C. Material Standards

When an article is mentioned by trade name or a manufacturer's name, it is intended to establish a standard of merit. Articles of other manufacturers may be used provided they are of the same type and of equal quality. The Sheriff's Department shall be the sole judge as to "equal." All materials and equipment shall be new, or an approved type, or certified overhauled and installed as recommended by the manufacturer. All materials and equipment shall be properly tested, regulated, adjusted and placed in proper operating condition before the work can be accepted.

D. Quality Assurance

The Contractor's quality control supervisor or his representative shall inspect the completed work and shall determine whether the work has been done in accordance with manufacturer's specifications. All documents must be signed by the quality control supervisor/representative verifying that the work meets appropriate airworthiness standards and the component / aircraft has been returned to airworthy condition. Contractor must correct

defective materials or workmanship prior to acceptance by Sheriff's Department of said work. The Sheriff's Department reserves the right to conduct defect inspections at Contractor's facility. All work must be done in accordance with accepted practices, safety standards and Federal Aviation Regulations.

E. Acceptability of Work/Delivery

All work shall be done in a professional manner and must be acceptable to technically qualified Sheriff's Department personnel designated by the County of Los Angeles. All work shall be completed within the time-frame estimate in the bid quote for the specific job.

F. Discrepancies

If the Sheriff's Department determines that work is not complete, not performed to standard or for some other reason is not acceptable, the Sheriff's Department representative will notify the Contractor in writing or by telephone and request a meeting to resolve the discrepancy. Representatives of the Sheriff's Department and Contractor shall meet at the Aero Bureau within ten (10) days of the date of notification by the Sheriff's Department. Contractor shall not be paid for work until such discrepancy is resolved.

G. Contractor's Damages/Clean-up

1. All damages incurred to Sheriff's Department aircraft by Contractor shall be repaired or replaced at Contractor's expense.

2. All such repairs or replacements shall be completed within the time requirements as determined by Sheriff's Department. If Contractor fails to repair or replace damaged property, Sheriff's Department will deduct the cost of repairs for such damages, as determined by Sheriff's Department, from existing unpaid invoices due Contractor, or from future invoices submitted by Contractor, or bill the Contractor and the provisions of *Paragraph 37.2* of *Exhibit A (Additional Terms and Conditions)* shall apply.

3. Upon completion of work, Contractor shall clean/remove remaining excess materials, dirt, grease and/or stains from all aircraft surfaces or components thereof.

H. Guarantee

Contractor shall guarantee all materials and workmanship for a period of 90 days or 300 flight hours, whichever occurs first, from date of acceptance of work by Sheriff's Department. Date of acceptance is defined as the date the Sheriff's Department Aircraft Maintenance Manager or his designee signs off that work was accepted. If Contractor fails to make proper repairs under this guarantee, Sheriff's Department may, at its discretion; (1) deduct the cost of repairs, as determined by Sheriff's Department, from existing unpaid invoices due Contractor, (2) deduct the cost of repairs from future invoices submitted by Contractor or; (3) bill the Contractor for the cost of repairs.

I. Meetings

At various times throughout the Agreement term, the Contractor may be required to attend meetings called by the Sheriff's Department. The purpose of these meetings will be to discuss and resolve problems, and/or readjust assignments and working schedules to meet new needs. The Contractor will be given written notice seven (7) days prior to any scheduled the meeting.

* * * * *

EXHIBIT C

CONTRACTOR'S MAXIMUM LABOR RATES

Jet Source, Inc.
2056 Palomar Airport Road
Carlsbad, CA 92008
760-438-1042
Fax 760-438-0526
Web Site www.jetsource.com

Standard Labor Rate (MLR) for LA County Sheriff's Department RFSQ No. 290SH

$85.00 per hour applicable to jobs performed under Work Orders resulting from the agreement.

Submitted by: Jeff Gustafson – Director of Maintenance

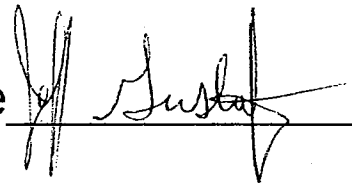
Signature  Date 4/17/06

EXHIBIT D

SAMPLE WORK ORDER FORMAT
"Fixed-Price/Not-to-Exceed-Cost Per Deliverable Basis"

A WORK SPECIFICATION SHALL BE ATTACHED TO EACH INDIVIDUAL WORK ORDER

LOS ANGELES COUNTY SHERIFF'S DEPARTMENT
HELICOPTER MAINTENANCE, ENGINEERING AND REPAIR SERVICES
MASTER AGREEMENT WORK ORDER

AERO BUREAU
3235 Lakewood Boulevard
Long Beach, California 90808

Vendor Tel:
Vendor Fax:
Contact:

MAINT. PHONE: 562-429-5997
MAINT. FAX: 562-420-3197

PARTS AND SERVICES REQUISITION

VENDOR	AGREEMENT NUMBER	W.O. NUMBER
DATE ORDERED	AIRCRAFT	DATE COMPLETED
ORDERED BY	SHIPPED VIA	COMPLETED BY

ITEM	QTY	DESCRIPTION	PRICE	TOTAL	B/O	RECD
		SUBTOTAL				
		8.25% TAX				
		EST SHIPPING				
		TOTAL EST				

REVIEWED BY:	DATE:
APPROVED BY:	DATE:

1. Please send two copies of your invoice.
2. Enter this order in accordance with the prices, terms, delivery method, and specifications listed above.
3. Please notify us immediately if you are unable to ship as specified.
4. Send all correspondence to the ADDRESS ABOVE.

LOS ANGELES COUNTY SHERIFF'S DEPARTMENT
HELICOPTER MAINTENANCE, ENGINEERING AND REPAIR SERVICES
MASTER AGREEMENT WORK ORDER

REFERENCE PO:		
VENDOR1:	VENDOR2:	VENDOR3:
CONTACT:	CONTACT:	CONTACT:
DATE:	DATE:	DATE:
QUOTE: *??*	QUOTE:	QUOTE:
AVAILABILITY:	AVAILABILITY:	AVAILABILITY:
NOTES:	NOTES:	NOTES:
VENDOR SELECTED:	REASON:	

EXHIBIT E

THESE FORMS ARE REQUIRED AT THE COMPLETION OF EACH WORK ORDER WHEN THE WORK ORDER INVOLVED INTELLECTUAL PROPERTY DEVELOPED/ DESIGNED BY CONTRACTOR. THE INTELLECTUAL PROPERTY DEVELOPED/ DESIGNED BECOMES PROPERTY OF THE COUNTY AFTER CREATION OR AT THE END OF THE CONTRACT TERM.

E CONTRACTOR'S ASSIGNMENT AND TRANSFER OF COPYRIGHT

EXHIBIT E

CONTRACTOR'S ASSIGNMENT AND TRANSFER OF COPYRIGHT

For good and valuable consideration, receipt of which is hereby acknowledged, the undersigned, _____, a _____, ("Grantor") does hereby assign, grant, convey and transfer to the County of Los Angeles, California ("Grantee") and its successors and assigns throughout the world in perpetuity, all of Grantor's right, title and interest of every kind and nature in and to all materials, documents, software programs and documentation, written designs, plans, diagrams, reports, software development tools and aids, diagnostic aids, computer processable media, source codes, object codes, conversion aids, training aids, training documentation and aids, and other information and/or tools of all types or acquired, in whole or in part, under the Agreement described below, including, but not limited to, all right, title and interest in, and to all copyrights and works protectable by copyright, and all new Supplemental Type Certificates and/or Field Approvals, all renewals and extensions thereof, and other non-proprietary rights therein, solely for the express need to support the Sheriff's fleet of airplanes, and in and to all copyrights and right, title and interest of every kind or nature, without limitation, in and to all works based thereon, incorporated in, derived from, incorporating or relating to, the Works or from which the Works are derived.

Without limiting the generality of the foregoing, the aforesaid conveyance and assignment shall include, but is not limited to, all prior choices-in-action, at law, in equity and otherwise, the right to recover all damages and other sums, and the right to other relief allowed or awarded at law, in equity, by statute or otherwise.

Grantor and Grantee have entered into County of Los Angeles Agreement Number_____

for Airplane Maintenance, Engineering and Repair Services, dated _____/_____/_____, as amended by

Amendment Number _____, dated _____/_____/_____,

{Note to Preparer: reference all existing Amendments} as the same hereafter may be amended or

otherwise modified from time to time (the "Agreement").

_____ _____

Grantor's Signature Date

Grantor's Printed Name: _____

Grantor's Printed Position: _____

EXHIBIT F

CONTRACTOR'S EEO CERTIFICATION

JET SOURCE, INCORPORATED
Contractor Name

2056 Palomar Airport Road, Carlsbad, California 92008
Address

33-0767548
Internal Revenue Service Employer Identification Number

GENERAL CERTIFICATION

In accordance with Section 4.32.010 of the Code of the County of Los Angeles, the contractor, supplier, or vendor certifies and agrees that all persons employed by such firm, its affiliates, subsidiaries, or holding companies are and will be treated equally by the firm without regard to or because of race, religion, ancestry, national origin, or sex and in compliance with all anti-discrimination laws of the United States of America and the State of California.

CONTRACTOR'S SPECIFIC CERTIFICATIONS

1.	The Contractor has a written policy statement prohibiting discrimination in all phases of employment.	Yes ☒	No ☐
2.	The Contractor periodically conducts a self analysis or utilization analysis of its work force.	Yes ☒	No ☐
3.	The Contractor has a system for determining if its employment practices are discriminatory against protected groups.	Yes ☒	No ☐
4.	Where problem areas are identified in employment practices, the Contractor has a system for taking reasonable corrective action, to include establishment of goals or timetables.	Yes ☒	No ☐

Jeff Gustafson Director of Maintenance
Authorized Official's Printed Name and Title

Authorized Official's Signature

6/20/06
Date

EXHIBIT G

FORMS REQUIRED FOR EACH WORK ORDER
BEFORE WORK BEGINS

G1 CERTIFICATION OF NO CONFLICT OF INTEREST

G2 CONTRACTOR ACKNOWLEDGEMENT AND CONFIDENTIALITY AGREEMENT

G3 CONTRACTOR NON-EMPLOYEE ACKNOWLEDGEMENT AND CONFIDENTIALITY AGREEMENT

SHERIFF'S HELICOPTER MAINTENANCE, ENGINEERING, AND REPAIR SERVICES AGREEMENT WORK ORDER

CERTIFICATION OF NO CONFLICT OF INTEREST

(Note: This certification is to be executed and returned to County with Contractor's executed Work Order. Work cannot begin on the Work Order until County receives this executed document.)

JET SOURCE, INCORPORATED
CONTRACTOR NAME

Work Order No. _____ County Agreement No. 29001

Los Angeles County Code Section 2.180.010.A provides as follows:

"Certain contracts prohibited.

A. Notwithstanding any other section of this code, the county shall not contract with, and shall reject any bid or proposal submitted by, the persons or entities specified below, unless the board of supervisors finds that special circumstances exist which justify the approval of such contract:

1. Employees of the county or of public agencies for which the board of supervisors is the governing body;
2. Profit-making firms or businesses in which employees described in subdivision 1 of subsection A serve as officers, principals, partners, or major shareholders;
3. Persons who, within the immediately preceding 12 months, came within the provisions of subdivision 1 of subsection A, and who:
   a. Were employed in positions of substantial responsibility in the area of service to be performed by the contract; or
   b. Participated in any way in developing the contract or its service specifications; and
4. Profit-making firms or businesses in which the former employees, described in subdivision 3 of subsection A, serve as officers, principals, partners, or major shareholders."

Contractor hereby declares and certifies that no Contractor Personnel, nor any other person acting on Contractor's behalf, who prepared and/or participated in the preparation of the bid or proposal submitted for the Work Order specified above, is within the purview of County Code Section 2.180.010.A, above.

I declare under penalty of perjury that the foregoing is true and correct.

_____
Signature of Authorized Official

Jeff Gustafson
Printed Name of Authorized Official

Director of Maintenance
Title of Authorized Official

6/20/06
Date

SHERIFF'S HELICOPTER MAINTENANCE, ENGINEERING, AND REPAIR SERVICES

AGREEMENT WORK ORDER

CONTRACTOR ACKNOWLEDGEMENT AND CONFIDENTIALITY AGREEMENT

(Note: This certification is to be executed and returned to County with Contractor's executed Work Order. Work cannot begin on the Work Order until County receives this executed document.)

JET SOURCE, INCORPORATED
CONTRACTOR NAME

Work Order No. _____ County Agreement No. _____

Contractor Representative _____

GENERAL INFORMATION:

The Contractor referenced above has entered into a contract with the County of Los Angeles to provide certain services to the County. The County requires your signature on this Contractor Acknowledgement and Confidentiality Agreement.

CONTRACTOR ACKNOWLEDGEMENT:

I understand and agree that the Contractor referenced above is my sole employer for purposes of the above-referenced work order/contract. I understand and agree that I must rely exclusively upon my employer for payment of salary and any and all other benefits payable to me or on my behalf by virtue of my performance of work under the above-referenced work order/contract.

I understand and agree that I am not an employee of the County of Los Angeles for any purpose whatsoever and that I do not have and will not acquire any rights or benefits of any kind from the County of Los Angeles by virtue of my performance of work under the above-referenced work order/contract. I understand and agree that I do not have and will not acquire any rights or benefits from the County of Los Angeles pursuant to any agreement between any person or entity and the County of Los Angeles.

I understand and agree that our employees may be required to undergo a background and security investigation(s). I understand and agree that our continued performance of work under the above-referenced work order/contract is contingent upon our employees passing, to the satisfaction of the County, any and all such investigations. I understand and agree that my failure to pass, to the satisfaction of the County, any such investigation shall result in our immediate release from performance under this and/or any future work order/contract.

CONFIDENTIALITY AGREEMENT:

I may be involved with work pertaining to services provided by the County of Los Angeles and, if so, I may have access to confidential data and information pertaining to persons and/or entities receiving services from the County. In addition, I may also have access to proprietary information supplied by other vendors doing business with the County of Los Angeles. The County has a legal obligation to protect all such confidential data and information in its possession, especially data and information concerning health, criminal, and welfare recipient records. I understand that if I am involved in County work, the County must ensure that I, too, will protect the confidentiality of such data and information. Consequently, I understand that I must sign this agreement as a condition of my work to be provided by my employer for the County. I have read this agreement and have taken due time to consider it prior to signing.

Initials of Signer _____

Contractor Name: Jet Source, Inc. Agreement No. 29001

Work Order No. _____ Contractor Representative _____

I hereby agree that I will not divulge to any unauthorized person any data or information obtained while performing work pursuant to the above-referenced work order/contract between my employer and the County of Los Angeles. I agree to forward all requests for the release of any data or information received by me to my immediate supervisor.

I agree to keep confidential all health, criminal, and welfare recipient records and all data and information pertaining to persons and/or entities receiving services from the County, design concepts, algorithms, programs, formats, documentation, Contractor proprietary information and all other original materials produced, created, or provided to or by me under the above-referenced work order/contract. I agree to protect these confidential materials against disclosure to other than my employer or County employees who have a need to know the information. I agree that if proprietary information supplied by other County vendors is provided to me during this employment, I shall keep such information confidential.

I agree to report to my immediate supervisor any and all violations of this agreement by myself and/or by any other person of whom I become aware. I agree to return all confidential materials to my immediate supervisor upon completion of this work order/contract or termination of my employment with my employer, whichever occurs first.

COPYRIGHT ASSIGNMENT AGREEMENT

I agree that all materials, documents, software programs and documentation, written designs, plans, diagrams, reports, software development tools and aids, diagnostic aids, computer processable media, source codes, object codes, conversion aids, training documentation and aids, and other information and/or tools of all types, developed or acquired by me in whole or in part, pursuant to the above referenced work order/contract, and all works based thereon, incorporated therein, or derived therefrom shall be the sole property of the County. In this connection, I hereby assign and transfer to the County in perpetuity for all purposes all my right, title, and interest in and to all such items, including, but not limited to, all unrestricted and exclusive copyrights, patent rights, trade secret rights, new Supplemental Type Certificates and/or Field Approvals, all renewals and extensions thereof, and other proprietary rights therein. Whenever requested by the County, I agree to promptly execute and deliver to County all papers, instruments, and other documents requested by the County, and to promptly perform all other acts requested by the County to carry out the terms of this agreement, including, but not limited to, executing an assignment and transfer of copyright in a form substantially similar to *Exhibit E*, attached hereto and incorporated herein by reference.

The County shall have the right to register all copyrights in the name of the County of Los Angeles and shall have the right to assign, license, or otherwise transfer any and all of the County's right, title, and interest, including, but not limited to, copyrights, in and to the items described above.

I acknowledge that violation of this agreement may subject me to civil and/or criminal action and that the County of Los Angeles may seek all possible legal redress.

SIGNATURE: _____ DATE: 6/20/06
Contractor Representative

PRINTED NAME: Jeff Gustafson

POSITION: Director of Maintenance

SHERIFF'S HELICOPTER MAINTENANCE, ENGINEERING, AND REPAIR SERVICES

AGREEMENT WORK ORDER

CONTRACTOR NON-EMPLOYEE ACKNOWLEDGEMENT, CONFIDENTIALITY, AND COPYRIGHT ASSIGNMENT AGREEMENT

(Note: This certification is to be executed and returned to County with Contractor's executed Work Order. Work cannot begin on the Work Order until County receives this executed document.)

JET SOURCE, INCORPORATED
CONTRACTOR NAME

Work Order No. _____ County Agreement No._____

Non-Employee Representative _____

GENERAL INFORMATION:

The Contractor referenced above has entered into a contract with the County of Los Angeles to provide certain services to the County. The County requires your signature on this Contractor Non-Employee Acknowledgement, Confidentiality Agreement.

NON-EMPLOYEE ACKNOWLEDGEMENT:

I understand and agree that the Contractor referenced above has exclusive control for purposes of the above-referenced work order/contract. I understand and agree that I must rely exclusively upon the Contractor referenced above for payment of salary and any and all other benefits payable to me or on my behalf by virtue of my performance of work under the above-referenced work order/contract.

I understand and agree that I am not an employee of the County of Los Angeles for any purpose whatsoever and that I do not have and will not acquire any rights or benefits of any kind from the County of Los Angeles by virtue of my performance of work under the above-referenced work order/contract. I understand and agree that I do not have and will not acquire any rights or benefits from the County of Los Angeles pursuant to any agreement between any person or entity and the County of Los Angeles.

I understand and agree that I may be required to undergo a background and/or security investigation(s). I understand and agree that my continued performance of work under the above-referenced work order/contract is contingent upon my passing, to the satisfaction of the County, any and all such investigations. I understand and agree that my failure to pass, to the satisfaction of the County, any such investigation shall result in my immediate release from performance under this and/or any future work order/contract.

CONFIDENTIALITY AGREEMENT:

I may be involved with work pertaining to services provided by the County of Los Angeles and, if so, I may have access to confidential data and information pertaining to persons and/or entities receiving services from the County. In addition, I may also have access to proprietary information supplied by other vendors doing business with the County of Los Angeles. The County has a legal obligation to protect all such confidential data and information in its possession, especially data and information concerning health, criminal, and welfare recipient records. I understand that if I am involved in County work, the County must ensure that I, too, will protect the confidentiality of such data and information. Consequently, I understand that I must sign this agreement as a condition of my work to be provided by the above-referenced Contractor for the County. I have read this agreement and have taken due time to consider it prior to signing.

Initials of Signer _____

Contractor Name: Jet Source, Inc. Agreement No. 29001

Work Order No. _____ Non-Employee Representative _____

I hereby agree that I will not divulge to any unauthorized person any data or information obtained while performing work pursuant to the above-referenced work order/contract between the above-referenced Contractor and the County of Los Angeles. I agree to forward all requests for the release of any data or information received by me to the above-referenced Contractor.

I agree to keep confidential all health, criminal, and welfare recipient records and all data and information pertaining to persons and/or entities receiving services from the County, design concepts, algorithms, programs, formats, documentation, Contractor proprietary information, and all other original materials produced, created, or provided to or by me under the above-referenced work order/contract. I agree to protect these confidential materials against disclosure to other than the above-referenced Contractor or County employees who have a need to know the information. I agree that if proprietary information supplied by other County vendors is provided to me, I shall keep such information confidential.

I agree to report to the above-referenced Contractor any and all violations of this agreement by myself and/or by any other person of whom I become aware. I agree to return all confidential materials to the above-referenced Contractor upon completion of this work order/contract or termination of my services hereunder, whichever occurs first.

COPYRIGHT ASSIGNMENT AGREEMENT

I agree that all materials, documents, software programs and documentation, written designs, plans, diagrams, reports, software development tools and aids, diagnostic aids, computer processable media, source codes, object codes, conversion aids, training documentation and aids, and other information and/or tools of all types, developed or acquired by me in whole or in part pursuant to the above referenced work order/contract, and all works based thereon, incorporated therein, or derived therefrom shall be the sole property of the County. In this connection, I hereby assign and transfer to the County in perpetuity for all purposes all my right, title, and interest in and to all such items, including, but not limited to, all unrestricted and exclusive copyrights, patent rights, trade secret rights, new Supplemental Type Certificates and/or Field Approvals, all renewals and extensions thereof and other proprietary rights therein. Whenever requested by the County, I agree to promptly execute and deliver to County all papers, instruments, and other documents requested by the County, and to promptly perform all other acts requested by the County to carry out the terms of this agreement, including, but not limited to, executing an assignment and transfer of copyright in a form substantially similar to *Exhibit E*, attached hereto and incorporated herein by reference.

The County shall have the right to register all copyrights in the name of the County of Los Angeles and shall have the right to assign, license, or otherwise transfer any and all of the County's right, title, and interest, including, but not limited to, copyrights, in and to the items described above.

I acknowledge that violation of this agreement may subject me to civil and/or criminal action and that the County of Los Angeles may seek all possible legal redress.

SIGNATURE: _____ DATE: ____/____/____
Non-Employee Representative

PRINTED NAME: _____

POSITION: _____

EXHIBIT H

CONTRACTOR'S ADMINISTRATION

JET SOURCE, INCORPORATED
CONTRACTOR NAME

AGREEMENT NO. 29001 WORK ORDER NO. _____

CONTRACTOR'S PROJECT DIRECTOR:

Name: Jeff Gustafson
Title: Director of Maintenance
Address: 2026 Palomar Airport
Carlsbad, CA 92011
Telephone: 760 804 3156
Facsimile: 760 804 7757
E-Mail Address: JGustafson@Jetsource.com

CONTRACTOR'S PROJECT MANAGER

Name: Don Sloan
Title: Maintenance Coordinator
Address: 2026 Palomar Airport
Carlsbad, CA 92011
Telephone: 760 804 3164
Facsimile: 760 804 7757
E-Mail Address: DSloan@JetSource.com

CONTRACTOR'S AUTHORIZED OFFICIAL(S) - provide additional sheets as necessary

Name: Jim Silverman
Title: Lead Technician
Address: 2026 Palomar Airport
Carlsbad, CA 92011
Telephone: 760-804 3160
Facsimile: 760 804 7757
E-Mail Address: JSilverman@Jetsource.com

Notices to Contractor shall be sent to the following address:

Address: 2026 Palomar Airport
Carlsbad, CA 92011
Telephone: 760 804 3160
Facsimile: 760 804 7757
E-Mail Address: JGustafson@JetSource.com