COUNTY OF LOS ANGELES

FIRE DEPARTMENT

1320 NORTH EASTERN AVENUE
LOS ANGELES, CALIFORNIA 90063-3294
(323) 881-2401

P. MICHAEL FREEMAN
FIRE CHIEF
FORESTER & FIRE WARDEN

May 9, 2006

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

Dear Supervisors:

AUTHORIZE THE PURCHASING AGENT TO COMPLETE AND EXECUTE ALL NECESSARY DOCUMENTS RELATIVE TO ACQUISITION OF A 500-HOUR INSPECTION AND SERVICE FOR THE SIKORSKY S-70 FIREHAWK HELICOPTER 15 (ALL DISTRICTS) (3-VOTES)

IT IS RECOMMENDED THAT YOUR BOARD, ACTING AS THE GOVERNING BODY OF THE CONSOLIDATED FIRE PROTECTION DISTRICT:

Authorize the County Purchasing Agent to complete and execute all necessary purchasing documents relative to the acquisition of 500-hour inspection and service for the Sikorsky S-70 Firehawk Helicopter #15, not to exceed $155,000.

PURPOSE OF THE RECOMMENDED ACTION:

The purpose of this recommended action is to authorize issuance of a purchase order to provide 500-hour inspection and service of the Sikorsky S-70 Firehawk Helicopter #15, Serial Number 702846, as required by our "Total Assurance Program" maintenance agreement with Sikorsky Aircraft Corporation. Labor and expenses for the 500-hour inspection and service to be performed at the District's Barton Heliport shall include five helicopter mechanics and one quality assurance representative.

JUSTIFICATION:

Due to the extensive utilization of the Firehawk helicopter for EMS transports, swift water/flood rescues, fire activities, and the implementation of the new 3rd Air Squad; the 500-hour maintenance inspection and service will be required sooner than expected.

In order to have the helicopter available at the earliest possible time during this fire season, we are requesting Sikorsky to provide the necessary personnel to perform the inspection and service at the District's Barton Heliport facility.

Sikorsky Aircraft Corporation is the original equipment manufacturer and the 500-hour inspection and service is a mandatory component of the helicopter maintenance regime established by the manufacturer.

Implementation of Strategic Plan Goals

Approval of the recommended action is consistent with the County's Strategic Plan Goal #1, Service Excellence.

FISCAL IMPACT/FINANCING:

It is the intent of the Air Operations Section to utilize our helicopter maintenance personnel to assist Sikorsky with the 500-hour inspection, thus reducing the costs. The estimated cost of the 500-hour inspection and service will not exceed the $155,000 funding for this purchase order and is available in the District's 2005-06 Service and Supplies Budget for the North Regional Operations Bureau, Air and Wildland Division, Air Operations Section. There is no impact on net County cost.

FACTS AND PROVISIONAL/LEGAL PROVISIONS:

The County Purchasing Agent has a statutory limitation of $100,000 for Sundry Service; therefore, your Board's approval is necessary to accomplish this critical maintenance requirement.

The District is in the process of developing a formal contract proposal with Sikorsky Aircraft Corporation for future 500-hour maintenance inspection and service. We are currently in the process of finalizing the terms and conditions of the contract.

IMPACT ON CURRENT SERVICE (OR PROJECTS):

Approval of the recommended actions will enable the Department to continue our provision of emergency services to the residents of Los Angeles County.

CONCLUSION:

Upon approval by the Board of Supervisors, please return copies of this letter to:

1. Los Angeles County Consolidated Fire Protection District
   Materials Management Division
   5801 South Eastern Avenue; Suite 100
   Commerce, California 90040
   Attention: James Ealey, Chief, Materials Management Division

2. Internal Services Department
   Purchasing Division
   1100 North Eastern Avenue, Room 102
   Los Angeles, California 90063
   Attention: Joe Sandoval, Division Manager

If you have any questions, please contact Deputy Chief John B. Tripp, Support Services Bureau, at (323) 881-6152.

Respectfully submitted,

P. Michael Freeman

PMF:lg

Attachment

c: Chief Administrative Officer
County Counsel
Auditor-Controller
Internal Services Department
Executive Office, Board of Supervisors

Sikorsky Support Services, Inc.
6900 Main Street • Mail Stop K100A
Stratford, Connecticut 06615

Sikorsky Support Services, Inc.

March 10, 2006

Proposal # ASD-06-071

Los Angeles County Fire Department (LACOFD)
Helicopter Maintenance
12605 Osborne Street
Pocoima, CA 91331-2129

Attention: Dave Eastham

Subject: LA Country 500 hour Phase Inspection

Reference: (a) Solicitation email memorandum, dated 17 February 2006

Attachments: (1) Technical Proposal
(2) Price Summary
(3) SSSI Standard Terms and Conditions

In response to Reference (a), Sikorsky Support Services, Inc. ("SSSI") is pleased to submit this Firm Fixed Price, Commercial Services Proposal to provide:

500 Hour Phase Inspections

X Maintenance: 500 hour phase inspections

Modifications: _____

Please refer to the attached Technical Proposal and Price Summary for the details of our offer. This Proposal will remain in effect for a period of ninety (90) days from the date of this letter.

Should you have any questions, please address them to either the undersigned at 203-416-4070, (dmunroe@sikorsky.com), or Mr. Robert E. Schulman, Contracts Manager, at 203-416-4064 (rschulman@sikorsky.com).

Very truly yours,

Sikorsky Support Services, Inc.

Don Munroe /s/

Don Munroe
Manager – Programs

Sikorsky Support Services, Inc.®

Attachment 1

Technical Proposal

The SSSI Team ... Combining Tradition with Innovation

SSSI Field Operation Center at Jacksonville, Florida

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1.0 Sikorsky Support Services, Inc. – The Best Solution!

1.1. Corporation

Sikorsky Support Services, Inc. (known as "SSSI") is a wholly owned subsidiary of Sikorsky Aircraft Corporation ("SAC"). We are dedicated to providing high quality management, technical and operational services for worldwide customers. Our core competencies include repairs, maintenance and modifications to both rotary and fixed-wing aircraft. Our customers include the U.S. Army, Navy, Air Force, Marine Corps, Coast Guard and federal agencies, as well as foreign military and commercial customers. We employ support personnel in over 100 locations around the world.

1.2 Facilities & Personnel

SSSI has Field Operations Centers both on the east and west coasts – at Jacksonville, Florida and North Island, California. SSSI is also willing to send experienced field teams to the customer's facility. These options provide the customer with maximum flexibility.

Customers purchase SSSI support services because our past performance consistently demonstrates that we deliver high quality services on time and on schedule. Our FOC Teams are highly skilled professionals, bringing a wealth of experience and intimate knowledge of the aircraft. They have been a welcome addition to supplement government efforts in caring for their aircraft.

1.3 SSSI Quality

Some of the advantages of using SSSI are:

- Factory trained Technicians and Quality Assurance;
- Trained in critical characteristics for flight safety components;
- Trained in composites / sheet metal repair/rework and cold work procedures;
- Can provide 'Over-the-shoulder' non-certifiable training to customer technicians;
- Real time configuration management information;
- Historical database of all repairs performed by the Centers; and
- On-site (Field Center) aperture cards and technical publications libraries.

1.4 ACE

SSSI utilizes a continuous improvement operating system known as Achieving Competitive Excellence (ACE). ACE drives the development of processes that maximize quality, reduce cost, and enhance on-time delivery. In April of 2005, SSSI was recognized as "ACE Gold" – the highest level of ACE achievement.

An element of ACE is the use of formal problem solving tools. These tools are used to quickly and efficiently resolve "molehills" before they become mountains.

In summary, SSSI's development of formal problem solving tools and efficient processes has resulted in keeping our costs low and creating less risk to us and the customer.

SSSI combines the legacy and quality symbolic of the Sikorsky name with cutting edge innovative processes – all to provide the customer with the best value for the highest quality services.

2.0 Task Plan

Our Task Plan is based on:

- the requirements of the Request for Proposal; and
- SSSI's 20 plus years of experience with Aircraft Service Operations.

2.1 Time & Place of Performance

Period of Performance = **Approximately five (5) weeks from receipt of contract**

Anticipated Start Date: **TBD**

Estimated Completion Date: **TBD**

Place of Performance = **LA County F.D. Flight Facility**

2.2 Staffing & Organization

SSSI proposes to provide:

3 Technicians

2 Technicians - Option

2.3 Statement of Work

SSSI Field Team will perform the following inspections IAW US Army Preventive Maintenance Services, Manual TM 1-1520-237-PMS-2, specific inspections are as follows:

- 500 hour phase inspection

2.4 Assumptions Made

LACOFD will provide the following:

1. All 500 hour Phae/PMS-2 replacement parts, consumables and components.
2. All required support equipment in support of the inspections.
3. Perform required FAA signoff and logbook entries.
4. Upon notification by SSSI, LACOFD will provide Pilots, flight crews and Ground/Flight Vibration Analysis equipment.

Additional Assumptions:

- Any additional discovered discrepancies will be considered Over and Above and if authorized will be subject to an additional price and schedule agreement.
- Performance of SOW in CY2006
- Any changes to the period of performance or Statement of Work will require a change in price.
- LACOFD will retain possession, care, custody and control of the aircraft.
- SSSI will use its Quality Management System. This System is a process-based management system aligned, integrated and compliant with the ANSI/ISO/ASQ Q9001-2000 standard. Our Quality Management System has been successfully used on many contracts for all military services and in the civilian community.
- Acceptance of services will be made by a signed Certificate of Compliance Card, which will certify satisfactory completion of the Statement of Work, and/or DD250 as required by US Government customers.
- A commercial purchase order will be issued as the contractual authorization to provide the proposed service. The purchase order should incorporate SSSI Standard Terms and Conditions, **Attachment (3)**.

2.5 Deliverables

See Statement of Work

2.6 Deployment in Support of Mission Requirements

Not applicable

2.7 Travel

Travel is included as part of Other Direct Costs ("ODC"). All travel has been priced in accordance with Joint Travel Regulations (JTR) and/or previous actual costs.

2.8 Past Performance

SSSI takes a great deal of pride in its exceptional past performance. Feedback from the customer has been extremely positive, with consistent "excellent" ratings. The following contract highlights our record of exceptional past performance.

SSSI CONTRACTS		
Contract Number	**Type of Service**	**Performance**
W91151-04-D-0019 DO 1S01	PMS-2 VA National Guard	excellent

3.0 Pricing

For pricing information, please review **Attachment (2)**, the Price Summary.

Due to the commercial nature of this Proposal, Cost or Pricing Data does not need to be provided.

4.0 Summary

SSSI is on-the job currently supporting every agency of the U.S. Government.

SSSI receives continuous compliments on the service performed at our Field Operations Centers. In relation to Armed Helo kit installations, DCMA at Sikorsky recently commented:

> My final impressions of the work coming out of FOC Jacksonville, FL is this organization performs and completes some outstanding work and modifications, and I found the personnel were very knowledgeable in all areas of operations. It was a pleasure to work with such professionals.

Our men in the field are also dedicated to supporting the customer. A recent U.S. Marine Corps article praised the SSSI team for keeping the CH-53E Super Stallions galloping in Iraq. The article read, "They don't wear camouflage uniforms or high and tight haircuts, but they go through the same situations service members here go through and maintain their loyalty to the Corps by helping the [Marines] get the job done in support of Operation Iraqi Freedom and the Global War on Terrorism."

This is the type of service that SSSI provides.

Sikorsky Support Services, Inc.®

Attachment 2

Price Summary

The Sikorsky Team ... Combining Tradition with Innovation

ATTACHMENT (2)

– Price Summary –

500 Hour Phase (3 technicians)

ITEM NO.	SUPPLIES/SERVICES	QUANTITY	UNIT	UNIT PRICE	AMOUNT
0001	Labor Services	1	LOT		$ 68,474.00
0002	ODC				$ 23,640.00
				NET AMOUNT	**$ 92,114.00**

Option (2 additional technicians)

ITEM NO.	SUPPLIES/SERVICES	QUANTITY	UNIT	UNIT PRICE	AMOUNT
0001	Labor Services	1	LOT		$ 45,649.00
0002	ODC				$ 15,872.00
				NET AMOUNT	**$ 61,521.00**

Payment Terms:

1. Items 0001 and 0002 – upon completion of services

Sikorsky Support Services, Inc.®

Attachment 3

SSSI Standard Terms and Conditions

The SSSI Team … Combining Tradition with Innovation

ATTACHMENT (3)

Sikorsky Support Services Inc Standard Terms and Conditions of Sale

I. PRODUCT DESCRIPTION

These terms and conditions apply to the following goods and services (the "Products") ordered from Sikorsky Aircraft Corporation or any of its affiliate companies ("Seller"): Spare Parts, Repair and Overhaul Services, Ground Support Equipment, Publications, Training Courses, Technical Field Support, Component Exchange.

II. PAYMENT

All payments shall be made in United States Dollars, net 30 days after invoice submittal.

III. DELIVERY/INSPECTION PROCEDURE

A. Products - All products shall be delivered (Ex Works [2000 INCOTERMS] Seller's U.S.A. facility). Products delivered hereunder will be packed for shipment in accordance with Seller's standard packing procedures for such products. If, upon receipt of the products by Buyer at destination, the same shall appear not to conform to this Agreement, Buyer shall, within thirty (30) calendar days after receipt thereof, notify Seller of such condition and afford Seller a reasonable opportunity to inspect the products and make any appropriate adjustment or replacement. The same remedies afforded Buyer under "Warranties" shall be exclusive for defective products discovered upon inspection. Buyer shall not delay payment for the products pending their inspection. Buyer will furnish written shipping instructions for all products as promptly as possible. In the absence of such instructions Seller may, at any time beginning ten (10) days after forwarding notice to Buyer by mail, facsimile or otherwise that the products are ready for shipment, do either of the following for the account of and at the expense and risk of Buyer: (i) arrange for shipment of the products by a carrier of its own selection to Buyer's place of business or other destination reasonably believed to be suitable or (ii) warehouse the products.

B. Accelerated Delivery/Partial Shipment - Seller is authorized to advance the delivery date, or complete performance of any order, prior to the time set forth in such order. Unless otherwise agreed, Seller shall have the right to deliver the Products in partial shipments and invoice Buyer for that portion which was shipped.

IV. WARRANTIES

A. Spare Parts and Ground Support Equipment - Seller warrants to Buyer that, at the time of delivery, the spare parts and ground support equipment sold hereunder will be free from defects in material and manufacture. Seller's liability and Buyer's remedy under this warranty are limited to the repair or replacement, at Seller's election, of parts or components thereof ("part(s)") which are shown to Seller's reasonable satisfaction to have been thus defective; provided that written notice of the defect is given by Buyer to Seller within one (1) year after the date of delivery of the part by Seller, but in no event later than sixty (60) days after Buyer's discovery of the defect within the warranty period. Transportation charges for the return of such defective parts to Seller and its reshipment to Buyer and the risk of loss thereof will be borne by Seller only if returned in accordance with written shipping instructions from Seller. Replacement (newly manufactured or repaired) parts are warranted for the remainder of the applicable one (1) year original warranty period, if any. This warranty shall not apply to any part which in Seller's judgment (1) shall have been repaired or altered outside the facilities of Sikorsky Aircraft Corporation in any way so as

to affect the safety, function or reliability of the helicopter or part, or (2) has been subject to misuse, negligence, accident or other abuse.

B. Overhaul/Repair Services - Seller warrants to Buyer that services performed by Seller will have been performed in a workmanlike manner. Seller's liability and Buyer's remedy under this warranty are limited to the correction of such services, at the factory of manufacturer and/or on site at the Buyer's facility, as are shown to Seller's reasonable satisfaction to have been defective; provided that written notice of the defect shall have been given by Buyer to Seller within one (1) year after the date of performance of such services by Seller, but in no event later than sixty (60) days after Buyer's discovery of a defect within the warranty period. Transportation charges (excluding related import and export charges) for the return of defectively serviced goods to Seller and their reshipment to Buyer and the risk of loss thereof will be borne by Seller only if returned in accordance with Seller's written shipping instructions. Any parts provided in the performance of services hereunder and sold hereunder shall be subject to the warranty set forth in paragraph A above.

C. Publications - Seller warrants to Buyer that any publications furnished hereunder will have been prepared in good workmanlike manner. Seller's liability and Buyer's remedy under this warranty are limited to the correction of such publications as shown to Seller's reasonable satisfaction not to have complied with this warranty; provided that written notice of such noncompliance shall have been given by Buyer to Seller within ninety (90) days after the delivery of such publications by Seller.

D. Training Courses - Seller warrants to Buyer that instruction given in the course(s) shall be given by personnel experienced and knowledgeable in the subject matter of the course. Seller will not incur any responsibility or liability of any nature, for anything done or not done by the instructor, or for the results of the instruction furnished by said instructor. Buyer's remedy hereunder is limited solely to the correction of such instruction by Seller as is shown to Seller's reasonable satisfaction not to have complied with this warranty; provided that written notice that such instruction has not complied with this warranty shall have been given by Buyer to Seller within thirty (30) days after the performance of such instruction by Seller.

E. Technical Field Support Services (Technical Representative) - Seller warrants to Buyer that it will select and furnish personnel reasonably experienced and skilled in the type of work they are to perform hereunder. Seller will not incur any responsibility or liability of any nature, for anything done or not done by any Technical Representative or for the results of the services furnished hereunder. Seller's liability and Buyer's remedy under this warranty are limited to the correction of such services as are shown to Seller's reasonable satisfaction not to have complied with this warranty, provided that written notice of such noncompliance shall have been given by Buyer to Seller within thirty (30) days after the furnishing of such services.

F. Component Exchange Parts - Seller warrants to Buyer that, at the time of delivery, parts sold pursuant to the Component Exchange Program will be free from defects in material and manufacture. Seller's liability and Buyer's remedy under this warranty are limited to the repair or replacement of such defective parts, at the factory of the manufacturer, as are shown to Seller's reasonable satisfaction to have been defective; provided that written notice of such defect shall have been given by Buyer to Seller within one (1) year or 1,000 flight hours after the date of delivery, whichever first occurs, but in no event later than sixty (60) days after Buyer's discovery of the defect within the warranty period; and provided further that the Buyer shall be charged for such repair or replacement which charge shall be calculated as follows:

1. Within the first 300 flight hours, parts will be repaired or replaced at no charge to Buyer.
2. After the first 300 flight hours, the following formula applies:

$$\text{Price} \times \frac{\text{Flight Time - 300 hours}}{} = \text{Price charged to the Buyer Y}$$

Price = Net selling price of the repair or replacement of the defective part per Seller's price list at the time of the occurrence of the defect.

(Y) = The lower of (a) component T.B.O. or retirement life as shown in the then current Maintenance Manual for such helicopter or (b) 3,000 hours.

G. Title - Seller warrants to Buyer that it will convey good title to the goods sold hereunder. Seller's liability and Buyer's remedy under this warranty are limited to the removal of any title defect or at the election of Seller to the replacement of the goods which are defective in title; provided, however, that the rights and remedies of the parties with respect to patent infringement shall be limited to the provisions of paragraph H below.

H. Patent Infringement - Seller shall conduct, at its own expense, the entire defense of any claim, suit, or action alleging that, without further combination, the use or resale by Buyer or any subsequent purchaser or user of the goods delivered hereunder directly infringe any United States patent, but only on the conditions that (a) Seller receives prompt written notice of such claim, suit, or action and full opportunity and authority to assume the sole defense thereof, including settlement and appeals, and all information available to Buyer and defendant for such defense; (b) said goods are made according to a specification or design furnished by Seller or, if a process patent is involved, the process performed on the goods is recommended in writing by Seller; and (c) the claim, suit, or action is brought against Buyer or one expressly indemnified by Buyer. Provided all of the foregoing conditions have been met, Seller shall, at its own expense, either settle said claim, suit, or action or shall pay all damages, excluding consequential damages, and costs awarded by the court therein, and, if the use or resale of such goods is finally enjoined, Seller shall, at Seller's option: (i) procure for defendant the right to use or resell the goods, or (ii) replace them with equivalent noninfringing goods, or (iii) modify them so they become noninfringing but equivalent, or (iv) remove them and refund the purchase price (less a reasonable allowance for use, damage, and obsolescence). If a claim, suit or action is based on a design or specification furnished by Buyer, or on the performance of a process not recommended in writing by Seller, or on the use or sale of the goods delivered hereunder in combination with other goods not delivered to Buyer by Seller, Buyer shall indemnify and save Seller harmless therefrom.

I. Exclusive Warranties and Remedies - THE FOREGOING WARRANTIES ARE EXCLUSIVE AND ARE GIVEN AND ACCEPTED IN LIEU OF (i) ANY AND ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, WHICH ARE HEREBY DISCLAIMED, INCLUDING WITHOUT LIMITATION THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE; AND (ii) ANY OBLIGATION, LIABILITY, RIGHT, CLAIM, OR REMEDY IN CONTRACT OR TORT, WHETHER OR NOT ARISING FROM SELLER'S, UNITED TECHNOLOGIES CORPORATION'S, OR ANY OF THEIR AFFILIATE'S NEGLIGENCE, ACTUAL OR IMPUTED, STRICT TORT LIABILITY OR BREACH OF WARRANTY. THE REMEDIES OF BUYER SHALL BE LIMITED TO THOSE PROVIDED HEREIN TO THE EXCLUSION OF ANY OTHER REMEDIES INCLUDING, WITHOUT LIMITATION, INCIDENTAL OR CONSEQUENTIAL DAMAGES. NO AGREEMENT VARYING OR EXTENDING THE FOREGOING WARRANTIES, REMEDIES, OR THIS LIMITATION WILL BE BINDING UPON SELLER, UNITED TECHNOLOGIES CORPORATION, OR ANY OF THEIR AFFILIATES UNLESS IN WRITING, SIGNED BY A DULY AUTHORIZED OFFICER OF SELLER, UNITED TECHNOLOGIES CORPORATION, OR SUCH AFFILIATE.

V. STANDARD CONTRACT TERMS AND CONDITIONS

A. Title - Title to and risk of loss of all Products shall pass to Buyer upon the date of delivery.

B. Excusable Delays - Buyer acknowledges that the delivery dates are based on the assumption that there will be no delay due to causes beyond the reasonable control of Seller. Seller shall not be charged with any liability for delay or nondelivery when due to delays of common carriers, suppliers, acts of God, terrorists or the public enemy, compliance in good faith with any applicable foreign or domestic governmental regulation or order whether or not it proves to be invalid, fires, riots, labor disputes, unusually severe weather, or any other cause beyond the reasonable control of Seller. To the extent that such causes actually retard deliveries on the part of Seller, the time for the performance shall be extended for as many days beyond the date therefor as is required to obtain removal of such causes. This provision

shall not, however, relieve Seller from using reasonable efforts to avoid or remove such causes and continue performance with reasonable dispatch whenever such causes are removed.

C. Liability Limitation - With respect to any Product purchased under this Agreement and alleged to be the direct or indirect cause of any loss or damage to Buyer, the sum equal to the invoiced price of such Product (or if not separately priced, Seller's established selling price for such item) shall be the ceiling limit on Seller's, United Technologies Corporation's, or any of their affiliate's liability, whether founded in contract or tort (including negligence, strict tort liability or breach of warranty), arising out of or resulting from (i) this Agreement or the performance or breach thereof or (ii) the design, manufacture, delivery, sale, repair, replacement, use or furnishing of any such Product. In no event shall Seller, United Technologies Corporation, or any of their affiliate's have any liability for any indirect, incidental, consequential or special damages.

D. Inability or Refusal to Pay - If Buyer is unable or refuses to make payment to Seller in accordance with any of its obligations to Seller, Seller may, at its option, terminate this Agreement by giving to Buyer a written notice of its intention to terminate. In addition, for Buyers other than foreign governments, if a receiver or trustee is appointed to any of Buyer's property, or Buyer is adjudicated a bankrupt, or application for reorganization under the Bankruptcy Act is filed by or against Buyer which shall not be dismissed within thirty (30) days, or if Buyer becomes insolvent or makes an assignment for the benefit of creditors, or takes, or attempts to take, the benefit of any insolvency acts, or an execution be issued pursuant to a judgment rendered against Buyer, Seller may also, at its option, terminate this Agreement by giving to Buyer a written notice of its intention to terminate. Upon any such termination, Seller shall be relieved of any further obligations to Buyer and Buyer shall reimburse Seller for its termination costs and expenses and a reasonable allowance for profit. All sums paid to Seller from whatever sources may be retained by Seller and applied toward any amount owed to Seller. In addition, Seller shall have the right to reduce and set-off against any amounts payable by Seller to Buyer or against Buyer's property in Seller's possession any indebtedness or other claim which Seller may have against Buyer. The excess, if any, of such sums over the total termination amount shall be returned to Buyer by Seller.

E. Export Licenses - Seller will, on Buyer's request, assist Buyer in Buyer's efforts to obtain any United States Government export license or similar authorization which may be required now or hereafter for exportation of the Products. Seller and Buyer specifically acknowledge that this Agreement is conditioned upon the ability of Seller and Buyer to conform to the laws and regulations of the U. S. Government and its various cognizant departments regarding the sale of the Products to Buyer. Any technical data or defense service exported from the United States in furtherance of this Agreement and any defense article which may be produced or manufactured from such technical data or defense service may not be transferred to a person in a third country or to a national of a third country except as specifically authorized in this Agreement unless the prior written approval of the U.S. Department of State has been obtained, and this obligation will remain binding on the Buyer after the termination of this Agreement.

F. Import Licenses - With respect to any import laws and other regulations of the country of destination and its various cognizant departments regarding the import of the Products hereunder, Buyer shall be solely responsible for obtaining and complying with any and all import licenses or other authorizations which may be required for importing the Products.

G. Modifications Prior to Delivery - Seller shall have the right to incorporate at any time and without Buyer's consent changes in any Product to be furnished to Buyer hereunder where such changes are meant to improve the manufacturing or maintenance conditions of the Product, providing such changes do not materially prejudice the performance of the Product or the delivery schedule therefor. Seller shall also have the right, at any time without Buyer's consent, to incorporate such changes in any Product as are specified by the U. S. Government for this type of Product, providing such changes can be accomplished at no extra cost to Buyer.

H. Taxes and Other Charges - In addition to the Product price, Buyer shall pay to Seller any and all taxes (not including any income taxes), fees or duties which may be imposed by any taxing authority arising from the sale, delivery, or use of any Product (including, without limitation, excise and value added taxes, and any import or export duties), and for which Seller may be held responsible for collection or payment, either on its own behalf or that of Buyer, upon receipt by Buyer of Seller's invoice therefor. Buyer shall minimize, to the greatest extent possible, any taxes that may be imposed on Seller. In the event that Buyer pays income tax on behalf of Seller, or there are withholding taxes imposed on Seller, Buyer shall provide Seller with appropriate documentation to evidence the taxes or the payment thereof. Buyer's obligation's under this paragraph H shall survive delivery of the Product(s) sold hereunder.

I. Notices - All notices, or communications of any kind under and with respect to this Agreement and the Products shall be in the English language. All legal notices required hereunder shall be given by hand delivery or registered mail. The effective date of each such notice shall be the date upon which it is received.

J. Construction/Jurisdiction/Disputes – This Agreement shall be interpreted in accordance with the plain English meaning of its terms, and the construction thereof shall be governed by the laws of the State of Connecticut, U.S.A., without regard to Connecticut's conflict of laws principles. *For sales to foreign governments*: All disputes, claims and differences between the parties arising out of or under this Agreement shall be settled and finally determined by arbitration in accordance with the applicable rules of the International Chamber of Commerce ("ICC"). All decisions shall be in accordance with the substantive laws of the State of Connecticut, without regard to Connecticut's conflict of laws principles, and the arbitration shall be conducted in the State of Connecticut. The arbitration court shall be composed of three (3) arbitrators, one of whom will be named by each party. The third arbitrator, who shall act as chairman, shall be determined in accordance with the rules of the ICC. The arbitrators shall meet and decide at a place determined by them by majority vote. The arbitrators shall decide each issue presented to them by a majority vote, and their decisions shall be in writing and shall be final and conclusive. The amount of the costs of any such arbitration and by whom they shall be paid will be determined as part of the arbitration. This Agreement shall be enforceable and judgment upon any award rendered by the arbitrators may be entered in any court having jurisdiction. *For all other sales*: The exclusive forum for any disputes, claims, differences, actions or lawsuits arising out of or under this Agreement will be the state or federal courts of Connecticut. The parties agree to submit to the jurisdiction of the state and federal courts of Connecticut with respect to any such dispute, claim, difference, action or lawsuit.

K. Assignment/Merger - This Agreement shall inure to the benefit of and be binding upon the successors and assigns of the parties hereto, but it may not be voluntarily assigned, wholly or in part, by either party hereto. However, Seller may assign this Agreement to a wholly-owned subsidiary of Sikorsky Aircraft Corporation or United Technologies Corporation without Buyer's prior consent. The terms and conditions herein contained constitute the entire agreement between the parties hereto and shall supersede all previous communications, representations, or agreements, either oral or written, between the parties hereto with respect to the subject matter hereof, and no agreement or understanding varying or extending the same will be binding upon either party hereto unless in writing, signed by a duly authorized officer or representative thereof. If any term of this Agreement is determined to be invalid or unenforceable under applicable law, such term shall not apply; but the remaining terms of this Agreement shall remain in full force and effect.

L. Waiver – Any failure by either party to exercise any right granted by the terms and conditions of this Agreement shall not be construed as a waiver of such right or any other rights under this Agreement, and shall in no way affect the subsequent exercise of such right or of any other rights under this Agreement by such party.

VI. ADDITIONAL PROVISIONS RELATED TO OVERHAUL AND/OR REPAIR SERVICES

A. Ground and Flight Risk - It is understood and agreed that, as a result of any work done by Seller, it may be necessary for Seller to make certain ground tests and flight tests of Buyer's helicopter. The Buyer agrees to secure, indemnify, and hold harmless Seller, United Technologies Corporation, their affiliates, and their directors, officers, employees, service representatives, and agents from any liability, claim of liability, expense, cause of action, loss or damage whatsoever for any injury including death, to any person or property whatsoever, including Buyer's helicopter, from any cause whatsoever, including Seller's, United Technology Corporation's or their affilate's actual or imputed negligence or other tort, arising out of or as a result of such ground or flight operations of Buyer's helicopter.

B. Scrap Materials - Goods and parts thereof received from Buyer which, in the opinion of Seller, have no value other than as scrap will be disposed of by Seller and no accounting or liability therefor will be imposed on Seller by Buyer. However, Seller agrees to comply with instructions set forth on the face of Buyer's order providing for immediate disposition of any such scrap at Buyer's expense.

C. Shipment - Buyer shall ship such item to be overhauled or repaired to Seller's designated facility within sixty (60) days of Seller's receipt of Buyer's order.

VII. ADDITIONAL PROVISIONS RELATED TO PUBLICATIONS

A. Proprietary Rights - Buyer recognizes that the publications delivered hereunder may contain information which is proprietary to Sikorsky Aircraft Corporation, its affiliates or its suppliers. Accordingly, Buyer agrees to comply with the terms of the following legend, entitled "Notice of Proprietary Rights," or any other legend, when affixed to any publication: "NOTICE OF PROPRIETARY RIGHTS -- This document discloses subject matter in which Sikorsky Aircraft Corporation, its affiliates or its suppliers has proprietary rights. Neither receipt nor possession thereof confers or transfers any right to reproduce or disclose the document, any part thereof, any information contained therein, or any physical article or device, or to practice any method or process, except by written permission from or written agreement with Sikorsky Aircraft Corporation, its affiliates or its suppliers, as applicable."

B. Buyer-Furnished Data - In connection with any data or other information furnished by Buyer for use in any publication delivered hereunder, Buyer warrants and represents that no trade secrets or confidential information of any other person, firm, corporation, or government has been or will be wrongfully disclosed by Buyer to Seller and that all information disclosed by Buyer to Seller may be used or disclosed by Seller without restriction.

VIII. ADDITIONAL PROVISIONS RELATED TO TRAINING COURSES

A. English Language - Training courses will be conducted in the English language and all written material will be in English. Buyer is solely responsible for arranging for the services of an interpreter, if required, and is solely responsible for the expenses of such interpreter services.

B. Buyer's Responsibility - All pilot and maintenance training shall be conducted on Buyer's helicopters. Buyer shall have sole responsibility and liability for all arrangements and expenses for travel, lodging and meals for Buyer's personnel enrolled in any training course.

C. Indemnification - In consideration of Seller making the training services available to Buyer hereunder, Buyer, as the helicopter owner whose employees or designees will be the recipient of such training, shall secure and protect itself and indemnify Seller, United Technologies Corporation, their affiliates, and any of their directors, officers, employees, service representatives, and agents from any liability, claim of liability,

expense, cause of action, loss or damage whatsoever, whether arising in tort or otherwise for any injury, including death, to any person or property whatsoever (including Buyer's helicopters), arising out of or in conjunction with the performance of such training services. Seller assumes no liability for any expense of Buyer, including those of Buyer's personnel, directly or indirectly connected with the furnishing of training services provided hereunder nor for any expenses for the operation or maintenance of Buyer's helicopters. The parties expressly understand and agree that the responsibility of Seller in the furnishing of the training services is limited to the furnishing of such training services and shall not extend to the results thereof.

IX. ADDITIONAL PROVISIONS RELATED TO TECHNICAL FIELD SUPPORT (TECHNICAL REPRESENTATIVE)

A. Technical Representative Functions - The Technical Representative will function as a technical advisor in the operation and maintenance of Sikorsky model helicopters only and will not be utilized by Buyer in lieu of Buyer's normal supervision. The Technical Representative shall remain an employee exclusively of Seller, and the decision as to whether the working conditions are sufficiently safe to allow the Technical Representative to perform services hereunder shall remain entirely within the discretion of the Technical Representative. The Technical Representative will be available during normal working hours for consultation and technical support related to the Sikorsky helicopter. In emergency cases related to safety, flight conditions or aircraft ground conditions, Seller will endeavor to make the services of the Technical Representative available outside of normal working hours. The normal work week is understood to be eight (8) hours per day, five (5) days per week. The Technical Representative shall observe those holidays observed by Buyer and by Seller.

B. Seller's Relationship to Buyer - The relationship of Seller to Buyer shall be that of independent contractor and nothing herein contained shall be construed as creating a joint venture or any other relationship between Seller and Buyer.

C. On-Site Labor and Equipment - Buyer will furnish proper working facilities such as buildings, communication equipment (for local communication only), desks, etc. as well as any additional on-site labor, labor supervision, equipment, material, tools and instrumentation found necessary to accomplish the desired task(s).

X. ADDITIONAL PROVISIONS RELATED TO COMPONENT EXCHANGE PROGRAM

A. Shipment - If Buyer's component is not received at Seller's designated facility within sixty (60) days after receipt of Buyer's order, then Buyer's order shall be treated as a new part order and Buyer will be billed the additional amount between the new part price and the Component Exchange price.

B. Exclusions - Prices quoted cover only the repair and overhaul of parts resulting from normal operations including fair wear and tear. The cost of repair or overhaul of Buyer's returned components arising as a result of any of the following are specifically excluded from the Component Exchange Program and will be billed separately: (a) the replacement of any detail part with a published retirement time if replacement is required due to the expiration of its published life; the cost of replacing such time expired items shall be billed separately; (b) damage caused by combat, accidents, crashes, foreign objects or external causes including environmental conditions; (c) failure to operate and/or maintain the helicopter in accordance with contractor recommended operation and/or maintenance procedures; (d) operation of the helicopter outside of the limits contained in the flight manual; (e) damage resulting from contaminated fluids (fuel, oil, nitrogen, hydraulics or other), abuse, acts of God or the public enemy, sabotage, riots and vandalism; (f) any repair or overhaul for which the price of repair exceeds sixty-five (65%) of the then-current selling price of a new component; and (g) the price of updating components with any optional or mandatory product improvements.

C. Buyer's Warranty - Buyer warrants and represents that (1) at the time of delivery of the returned component(s) to Seller, the Buyer has good title and the authority to transfer title to Seller, and the returned component(s) and title thereto is free and clear of all liens, claims and encumbrances; (2) each returned component delivered by Buyer to Seller shall have been originally purchased by Buyer from Seller or another Sikorsky entity, shall not have been overhauled or repaired by any person other than Seller or another Sikorsky entity; and (3) each returned component delivered by Buyer to Seller shall have been installed by Buyer and maintained in accordance with Seller's recommendations and instructions set forth in applicable publications such as operating and maintenance manuals and service bulletins.

D. Delivery of Returned Components - Returned components shall be delivered to Seller, Ex Works [2000 INCOTERMS] Seller's factory and title thereto shall pass to Seller at the time an invoice for the returned component(s) has been issued by Seller to Buyer. All transportation costs and risk of loss of returned components in transit shall be borne by Buyer.