

**CITY OF FONTANA
PROFESSIONAL SERVICES AGREEMENT
PD-26-185-MS**

1. PARTIES AND DATE.

This Agreement is made effective and entered into this ___ day of _____, 2026, (“Effective Date”) by and between the City of Fontana, a municipal corporation organized under the laws of the State of California with its principal place of business at 8353 Sierra Avenue, Fontana, California 92335 (“City”) and **HeliSafe, Inc, a Incorporated Corporation.** with its principal place of business at **3333 Airport Drive. Torrance, Ca 90505** (“Consultant”). City and Consultant are sometimes individually referred to as “Party” and collectively as “Parties.”

2. RECITALS.

2.1 City. City is a municipal corporation organized under the laws of the State of California, with power to contract for services necessary to achieve its purpose.

2.2 Consultant. Consultant desires to perform and assume responsibility for the provision of certain professional services required by the City on the terms and conditions set forth in this Agreement. Consultant represents that it is experienced in providing **Aircraft, Personnel, Equipment Maintenance and Base of Operations** services to public clients, is licensed in the State of California, and is familiar with the plans of City.

2.3 Project. City desires to engage Consultant to render such services for the **Fontana Police Department Air Support Unit Helicopters** project (“Project”) as set forth in this Agreement.

3. TERMS.

3.1 Scope of Services and Term.

3.1.1 General Scope of Services. Consultant promises and agrees to furnish to the City all labor, materials, tools, equipment, services, and incidental and customary work necessary to fully and adequately supply the professional **Helicopter Support** services necessary for the Project (“Services”). The Services are more particularly described in Exhibit “A” attached hereto and incorporated herein by reference. All Services shall be subject to, and performed in accordance with, this Agreement, the exhibits attached hereto and incorporated herein by reference, and all applicable local, state and federal laws, rules and regulations.

3.1.2 Term. The term of this Agreement shall be from **August 1, 2026 to June 30, 2031**, unless earlier terminated as provided herein. Year one to be 11 months August 1, 2026 to June 30, 2027. The remaining years, 2027-2031, to be 12 months, July 1st to June 30th. **The City, by approval of the City Council, shall have the option, at its sole discretion, to renew this Agreement annually for no more than 4 additional one-year terms. Consultant reserves the right to decline renewal.** Consultant shall complete the Services within the term of this Agreement, and shall meet any other established schedules and deadlines.

3.2 Responsibilities of Consultant.

3.2.1 Control and Payment of Subordinates; Independent Contractor. The Services shall be performed by Consultant or under its supervision. Consultant will determine the means, methods and details of performing the Services subject to the requirements of this Agreement. City retains Consultant on an independent contractor basis and not as an employee. Consultant retains the right to perform similar or different services for others during the term of this Agreement. Any additional personnel performing the Services under this Agreement on behalf of Consultant shall also not be employees of City and shall at all times be under Consultant's exclusive direction and control. Consultant shall pay all wages, salaries, and other amounts due such personnel in connection with their performance of Services under this Agreement and as required by law. Consultant shall be responsible for all reports and obligations respecting such additional personnel, including, but not limited to: social security taxes, income tax withholding, unemployment insurance, disability insurance, and workers' compensation insurance.

3.2.2 Schedule of Services. Consultant shall perform the Services expeditiously, within the term of this Agreement, and in accordance with the Schedule of Services set forth in Exhibit "A" attached hereto and incorporated herein by reference. Consultant represents that it has the professional and technical personnel required to perform the Services in conformance with such conditions. In order to facilitate Consultant's conformance with the Schedule, City shall respond to Consultant's submittals in a timely manner. Upon request of City, Consultant shall provide a more detailed schedule of anticipated performance to meet the Schedule of Services.

3.2.3 Conformance to Applicable Requirements. All work done by Consultant shall be consistent with applicable law and subject to the direction of the City's representative in the interests of public health and safety.

3.2.4 Substitution of Key Personnel. Consultant has represented to City that certain key personnel will perform and coordinate the Services under this Agreement. Should Key Personnel become unavailable, Consultant may substitute other personnel of at least equal competence upon written approval of City. In the event that City and Consultant cannot agree as to the substitution of key personnel, City shall be entitled to terminate this Agreement for cause. As discussed below, any personnel who fail or refuse to perform the Services in a manner acceptable to the City, or who are determined by the City to be uncooperative, incompetent, a threat to the adequate or timely completion of the Project or a threat to the safety of persons or property, shall be promptly removed from the Project by the Consultant at the request of the City. The key personnel for performance of this Agreement are as follows: **Bob Muse, Chief Executive Officer.**

3.2.5 City's Representative. The City hereby designates **the Chief of Police**, or his or her designee, to act as its representative for the performance of this Agreement ("City's Representative"). City's Representative shall have the power to act on behalf of the City for all purposes under this Contract. Consultant shall not accept direction or orders from any person other than the City's Representative or his or her designee.

3.2.6 Consultant's Representative. Consultant hereby designates **Bob Muse**, or his or her designee, to act as its representative for the performance of this Agreement ("Consultant's Representative"). Consultant's Representative shall have full authority to represent and act on behalf of the Consultant for all purposes under this Agreement. The Consultant's Representative shall supervise and direct the Services, using his/her best skill and attention, and shall be responsible for all means, methods, techniques, sequences and procedures and for the satisfactory coordination of all portions of the Services under this Agreement.

3.2.7 Coordination of Services. Consultant agrees to work closely with City staff in the performance of Services and shall be available to City's staff, consultants and other staff at all reasonable times.

3.2.8 Standard of Care; Performance of Employees. Consultant shall perform all Services under this Agreement in a skillful and competent manner, consistent with the standards generally recognized as being employed by professionals in the same discipline in the State of California. Consultant represents and maintains that it is skilled in the professional calling necessary to perform the Services. Consultant warrants that all employees and subcontractors shall have sufficient skill and experience to perform the Services assigned to them. Finally, Consultant represents that it, its employees and subcontractors have all licenses, permits, qualifications and approvals of whatever nature that are legally required to perform the Services, including a City Business License, and that such licenses and approvals shall be maintained throughout the term of this Agreement. As provided for in the indemnification provisions of this Agreement, Consultant shall perform, at its own cost and expense and without reimbursement from the City, any services necessary to correct errors or omissions which are caused by the Consultant's failure to comply with the standard of care provided for herein. Any employee of the Consultant or its sub-consultants who is determined by the City to be uncooperative, incompetent, a threat to the adequate or timely completion of the Project, a threat to the safety of persons or property, or any employee who fails or refuses to perform the Services in a manner acceptable to the City, shall be promptly removed from the Project by the Consultant and shall not be re-employed to perform any of the Services or to work on the Project.

3.2.9 Period of Performance. Consultant shall perform and complete all Services under this Agreement within the term set forth in Section 3.1.2 above ("Performance Time"). Consultant shall also perform the Services in strict accordance with any completion schedule or Project milestones described in Exhibits "A" or "B" attached hereto, or which may be separately agreed upon in writing by the City and Consultant ("Performance Milestones"). Consultant agrees that if the Services are not completed within the aforementioned Performance Time and/or pursuant to any such Project Milestones developed pursuant to provisions of this Agreement, it is understood, acknowledged and agreed that the City will suffer damage.

3.2.10 Laws and Regulations; Employee/Labor Certifications. Consultant shall keep itself fully informed of and in compliance with all local, state and federal laws, rules and regulations in any manner affecting the performance of the Project or the Services, including all Cal/OSHA requirements, and shall give all notices required by law. Consultant shall be liable for all violations of such laws and regulations in connection with Services. If the Consultant performs any work knowing it to be contrary to such laws, rules and regulations and without giving written notice to the City, Consultant shall be solely responsible for all costs arising therefrom. Consultant shall defend, indemnify and hold City, its officials, directors, officers, employees and agents free and

harmless, pursuant to the indemnification provisions of this Agreement, from any claim or liability arising out of any failure or alleged failure to comply with such laws, rules or regulations.

3.2.10.1 Employment Eligibility; Consultant. By executing this Agreement, Consultant verifies that it fully complies with all requirements and restrictions of state and federal law respecting the employment of undocumented aliens, including, but not limited to, the Immigration Reform and Control Act of 1986, as may be amended from time to time. Such requirements and restrictions include, but are not limited to, examination and retention of documentation confirming the identity and immigration status of each employee of the Consultant. Consultant also verifies that it has not committed a violation of any such law within the five (5) years immediately preceding the date of execution of this Agreement, and shall not violate any such law at any time during the term of the Agreement. Consultant shall avoid any violation of any such law during the term of this Agreement by participating in an electronic verification of work authorization program operated by the United States Department of Homeland Security, by participating in an equivalent federal work authorization program operated by the United States Department of Homeland Security to verify information of newly hired employees, or by some other legally acceptable method. Consultant shall maintain records of each such verification, and shall make them available to the City or its representatives for inspection and copy at any time during normal business hours. The City shall not be responsible for any costs or expenses related to Consultant's compliance with the requirements provided for in Section 3.2.10 or any of its sub-sections.

3.2.10.2 Employment Eligibility; Subcontractors, Consultants, Sub-subcontractors and Subconsultants. To the same extent and under the same conditions as Consultant, Consultant shall require all of its subcontractors, consultants, sub-subcontractors and subconsultants performing any work relating to the Project or this Agreement to make the same verifications and comply with all requirements and restrictions provided for in Section 3.2.10.1.

3.2.10.3 Employment Eligibility; Failure to Comply. Each person executing this Agreement on behalf of Consultant verifies that they are a duly authorized officer of Consultant, and understands that any of the following shall be grounds for the City to terminate the Agreement for cause: (1) failure of Consultant or its subcontractors, consultants, sub-subcontractors or subconsultants to meet any of the requirements provided for in Sections 3.2.10.1 or 3.2.10.2; (2) any misrepresentation or material omission concerning compliance with such requirements (including in those verifications provided to the Consultant under Section 3.2.10.2); or (3) failure to immediately remove from the Project any person found not to be in compliance with such requirements.

3.2.10.4 Labor Certification. By its signature hereunder, Consultant certifies that it is aware of the provisions of Section 3700 of the California Labor Code which require every employer to be insured against liability for Workers' Compensation or to undertake self-insurance in accordance with the provisions of that Code, and agrees to comply with such provisions before commencing the performance of the Services.

3.2.10.5 Equal Opportunity Employment. Consultant represents that it is an equal opportunity employer and it shall not discriminate against any subconsultant, employee or applicant for employment because of race, religion, color, national origin, handicap, ancestry, sex or age. Such non-discrimination shall include, but not be limited

to, all activities related to initial employment, upgrading, demotion, transfer, recruitment or recruitment advertising, layoff or termination. Consultant shall also comply with all relevant provisions of City's Minority Business Enterprise program, Affirmative Action Plan or other related programs or guidelines currently in effect or hereinafter enacted.

3.2.10.6 Air Quality. To the extent applicable, Consultant must fully comply with all applicable laws, rules and regulations in furnishing or using equipment and/or providing services, including, but not limited to, emissions limits and permitting requirements imposed by the South Coast Air Quality Management District (SCAQMD) and/or California Air Resources Board (CARB). Although the SCAQMD and CARB limits and requirements are more broad, Consultant shall specifically be aware of their application to "portable equipment", which definition is considered by SCAQMD and CARB to include any item of equipment with a fuel-powered engine. Consultant shall indemnify City against any fines or penalties imposed by SCAQMD, CARB, or any other governmental or regulatory agency for violations of applicable laws, rules and/or regulations by Consultant, its subconsultants, or others for whom Consultant is responsible under its indemnity obligations provided for in this Agreement.

3.2.10.7 Water Quality.

(A) Management and Compliance. To the extent applicable, Consultant's Services must account for, and fully comply with, all local, state and federal laws, rules and regulations that may impact water quality compliance, including, without limitation, all applicable provisions of the Federal Water Pollution Control Act (33 U.S.C. §§ 1300); the California Porter-Cologne Water Quality Control Act (Cal Water Code §§ 13000-14950); laws, rules and regulations of the Environmental Protection Agency, the State Water Resources Control Board and the Santa Ana Regional Water Quality Control Board; the City's ordinances regulating discharges of storm water; and any and all regulations, policies, or permits issued pursuant to any such authority regulating the discharge of pollutants, as that term is used in the Porter-Cologne Water Quality Control Act, to any ground or surface water in the State.

(B) Liability for Non-compliance. Failure to comply with the laws, regulations and policies described in this Section is a violation of law that may subject Consultant or City to penalties, fines, or additional regulatory requirements. Consultant shall defend, indemnify and hold the City, its directors, officials, officers, employees, volunteers and agents free and harmless, pursuant to the indemnification provisions of this Agreement, from and against any and all fines, penalties, claims or other regulatory requirements imposed as a result of Consultant's non-compliance with the laws, regulations and policies described in this Section, unless such non-compliance is the result of the sole established negligence, willful misconduct or active negligence of the City, its officials, officers, agents, employees or authorized volunteers.

(C) Training. In addition to any other standard of care requirements set forth in this Agreement, Consultant warrants that all employees and subcontractors shall have sufficient skill and experience to perform the Services assigned to them without impacting water quality in violation of the laws, regulations and policies described in this Section. Consultant further warrants that it, its employees and subcontractors will receive adequate training, as determined by City, regarding the requirements of the laws, regulations and policies described in this Section as they may relate to the Services provided under this Agreement. Upon request, City will provide Consultant with a list of training programs that meet the requirements of this paragraph.

3.2.11 Insurance to be provided by Consultant.

3.2.11.1 Time for Compliance. Consultant shall not commence the Services under this Agreement until it has provided evidence satisfactory to the City that it has secured all insurance required under this section. In addition, Consultant shall not allow any subcontractor to commence work on any subcontract until it has provided evidence satisfactory to the City that the subcontractor has secured all insurance required under this section.

3.2.11.2 Minimum Requirements. Consultant shall, at its expense, procure and maintain for the duration of the Agreement insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the Agreement by the Consultant, its agents, representatives, employees or subcontractors for non-flight operations or accidental damage to the listed City's helicopters covered in 3.2.12 while rotors are in motion and when rotors are not in motion. Consultant shall also require all of its subcontractors to procure and maintain the same insurance for the duration of the Agreement. Such insurance shall meet at least the following minimum levels of coverage:

(A) Minimum Scope of Insurance. Coverage shall be at least as broad as the latest version of the following: (1) *General Liability*: Insurance Services Office Commercial General Liability coverage (occurrence form CG 0001); (2) *Automobile Liability*: Insurance Services Office Business Auto Coverage form number CA 0001, code 1 (any auto); and (3) *Workers' Compensation and Employer's Liability*: Workers' Compensation insurance as required by the State of California and Employer's Liability Insurance. The policy shall not contain any exclusion contrary to the Agreement, including but not limited to endorsements or provisions limiting coverage for (1) contractual liability (including but not limited to ISO CG 24 26 or 21 29); or (2) cross liability for claims or suits by one insured against another.

(B) Minimum Limits of Insurance. Consultant shall maintain limits no less than: (1) General Liability \$2,000,000 per occurrence for bodily injury, personal injury and property damage. If Commercial General Liability Insurance or other form with general aggregate limit is used including, but not limited to, form CG 2503, either the general aggregate limit shall apply separately to this Agreement/location or the general aggregate limit shall be twice the required occurrence limit; (2) Automobile Liability: \$2,000,000 per accident for bodily injury and property damage; and (3) Workers' Compensation and Employer's Liability: Workers' Compensation limits as required by the Labor Code of the State of California. Employer's Liability limits of \$1,000,000 per accident for bodily injury or disease.

(C) Notices; Cancellation or Reduction of Coverage. At least fifteen (15) days prior to the expiration of any such policy, evidence showing that such insurance coverage has been renewed or extended shall be filed with the City. If such coverage is cancelled or materially reduced, Consultant shall, within ten (10) days after receipt of written notice of such cancellation or reduction of coverage, file with the City evidence of insurance showing that the required insurance has been reinstated or has been provided through another insurance company or companies. In the event any policy of insurance required under this Agreement does not comply with these specifications or is canceled and not replaced, the City has the right but not the duty to obtain the insurance it deems necessary and any premium paid by the City will be

promptly reimbursed by Consultant or the City may withhold amounts sufficient to pay premium from Consultant payments. In the alternative, the City may suspend or terminate this Agreement.

3.2.11.3 Insurance Endorsements. The insurance policies shall contain the following provisions, or Consultant shall provide endorsements on forms supplied or approved by the City to add the following provisions to the insurance policies:

(A) General Liability. The general liability policy shall include or be endorsed (amended) to state that: (1) using ISO CG forms 20 10 and 20 37, or endorsements providing the exact same coverage, the City of Fontana, its directors, officials, officers, employees, agents and volunteers shall be covered as additional insured with respect to the Services or ongoing operations performed by or on behalf of the Consultant insofar as the Services or ongoing operations are not covered by the City's aircraft insurance referenced below in Section 3.2.12, including materials, parts or equipment furnished in connection with such work; and (2) using ISO form 20 01, or endorsements providing the exact same coverage, the insurance coverage shall be primary insurance as respects the City, its directors, officials, officers, employees, agents and volunteers, or if excess, shall stand in an unbroken chain of coverage excess of the Consultant's scheduled underlying coverage. Any excess insurance shall contain a provision that such coverage shall also apply on a primary and noncontributory basis for the benefit of the City, before the City's own primary insurance or self-insurance shall be called upon to protect it as a named insured. Any insurance or self-insurance maintained by the City, its directors, officials, officers, employees, agents and volunteers shall be excess of the Consultant's insurance and shall not be called upon to contribute with it in any way. Notwithstanding the minimum limits set forth in Section 3.2.11.2(B), any available insurance proceeds in excess of the specified minimum limits of coverage shall be available to the parties required to be named as additional insureds pursuant to this Section 3.2.11.3(A).

(B) Automobile Liability. The automobile liability policy shall include or be endorsed (amended) to state that: (1) the City, its directors, officials, officers, employees, agents and volunteers shall be covered as additional insureds with respect to the ownership, operation, maintenance, use, loading or unloading of any auto owned, leased, hired or borrowed by the Consultant or for which the Consultant is responsible; and (2) the insurance coverage shall be primary insurance as respects the City, its directors, officials, officers, employees, agents and volunteers, or if excess, shall stand in an unbroken chain of coverage excess of the Consultant's scheduled underlying coverage. Any insurance or self-insurance maintained by the City, its directors, officials, officers, employees, agents and volunteers shall be excess of the Consultant's insurance and shall not be called upon to contribute with it in any way. Notwithstanding the minimum limits set forth in Section 3.2.11.2(B), any available insurance proceeds in excess of the specified minimum limits of coverage shall be available to the parties required to be named as additional insureds pursuant to this Section 3.2.11.3(B).

(C) Workers' Compensation and Employers Liability Coverage. The insurer shall agree to waive all rights of subrogation against the City, its directors, officials, officers, employees, agents and volunteers for losses paid under the terms of the insurance policy which arise from work performed by the Consultant.

(D) All Coverages. Each insurance policy required by this Agreement shall be endorsed to state that: (A) coverage shall not be suspended, voided, reduced or canceled except after thirty (30) days prior written notice by certified mail, return receipt requested, has been given to the City; and (B) any failure to comply with reporting or other

provisions of the policies, including breaches of warranties, shall not affect coverage provided to the City, its directors, officials, officers, employees, agents and volunteers and other additionally insureds.

3.2.11.4 Separation of Insureds; No Special Limitations; Waiver of Subrogation. All insurance required by this Section shall contain standard separation of insureds provisions. In addition, such insurance shall not contain any special limitations on the scope of protection afforded to the City, its directors, officials, officers, employees, agents and volunteers. All policies shall waive any right of subrogation of the insurer against the City, its officials, officers, employees, agents, and volunteers, or any other additional insureds, or shall specifically allow Consultant or others providing insurance evidence in compliance with these specifications to waive their right of recovery prior to a loss. Consultant does not waive coverage of its claims and its right of recovery against the City as an additional insured under the City's aircraft insurance policy. Consultant hereby waives its own right of recovery against City, its officials, officers, employees, agents, and volunteers, or any other additional insureds, beyond what is covered and payable under the City's aircraft insurance policy.

3.2.11.5 Deductibles and Self-Insurance Retentions. Any deductibles or self-insured retentions must be declared to and approved by the City. Consultant shall guarantee that, at the option of the City, either: (1) the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects the City, its directors, officials, officers, employees, agents and volunteers; or (2) the Consultant shall procure a bond guaranteeing payment of losses and related investigation costs, claims and administrative and defense expenses.

3.2.11.6 Subconsultant Insurance Requirements. Consultant shall not allow any subconsultants to commence work on any subcontract relating to the work under the Agreement until they have provided evidence satisfactory to the City that they have secured all insurance required under this Section. If requested by Consultant, the City may approve different scopes or minimum limits of insurance for particular subconsultants. The Consultant and the City shall be named as additional insureds on all subconsultants' policies of Commercial General Liability using ISO form 20 38, or coverage at least as broad.

3.2.11.7 Acceptability of Insurers. Insurance is to be placed with insurers with a current A.M. Best's rating no less than A:VIII, licensed to do business in California, and satisfactory to the City.

3.2.11.8 Verification of Coverage. Consultant shall furnish City with original certificates of insurance and endorsements effecting coverage required by this Agreement on forms satisfactory to the City. The certificates and endorsements for each insurance policy shall be signed by a person authorized by that insurer to bind coverage on its behalf, and shall be on forms provided by the City if requested. All certificates and endorsements must be received and approved by the City before work commences. The City reserves the right to require complete, certified copies of all required insurance policies, at any time.

3.2.11.9 Reporting of Claims. Consultant shall report to the City, in addition to Consultant's insurer, any and all insurance claims submitted by Consultant in connection with the Services under this Agreement.

3.2.12 Insurance to be provided by the City. The City will provide aircraft insurance, consistent with the terms set forth in Exhibit "C". Consultant and Consultant's employees engaged in the agreed services of this agreement will be listed as additionally insured at all times during the term of this professional service agreement. The City is solely responsible for deductibles of this policy. No wording, terms or conditions of this service agreement will void insurance coverage of this policy to Consultant or Consultant's employees listed on the City's aircraft insurance policy. This insurance policy will be the primary insurance policy at all times during the duration of this service agreement for the listed city helicopters. Consultant and Consultant's employees will not be responsible for any costs not covered by the insurance policy for property damage, accidental damage to aircraft, total loss of aircraft, accidental limitation exceedances, injuries to persons or death. At least fifteen (15) days prior to the expiration of the policy, City shall provide evidence showing that such insurance coverage has been renewed or extended to the Consultant.

3.2.13 Safety. Consultant shall execute and maintain its work so as to avoid injury or damage to any person or property. In carrying out its Services, the Consultant shall at all times be in compliance with all applicable local, state and federal laws, rules and regulations, and shall exercise all necessary precautions for the safety of employees appropriate to the nature of the work and the conditions under which the work is to be performed. Safety precautions as applicable shall include, but shall not be limited to: (A) adequate life protection and lifesaving equipment and procedures; (B) instructions in accident prevention for all employees and subcontractors, such as safe walkways, scaffolds, fall protection ladders, bridges, gang planks, confined space procedures, trenching and shoring, equipment and other safety devices, equipment and wearing apparel as are necessary or lawfully required to prevent accidents or injuries; and (C) adequate facilities for the proper inspection and maintenance of all safety measures.

3.2.14 Accounting Records. Consultant shall maintain complete and accurate records with respect to all costs and expenses incurred under this Agreement. All such records shall be clearly identifiable. Consultant shall allow a representative of City during normal business hours to examine, audit, and make transcripts or copies of such records and any other documents created pursuant to this Agreement. Consultant shall allow inspection of all work, data, documents, proceedings, and activities related to the Agreement for a period of three (3) years from the date of final payment under this Agreement.

3.3 Fees and Payments.

3.3.1 Compensation. Consultant shall receive compensation, including authorized reimbursements, for all Services rendered under this Agreement at the rates set forth in Exhibit “C” attached hereto and incorporated herein by reference. In each respective contract year, the total compensation shall not exceed the amounts below without written approval of City’s Chief of Police:

Fiscal Year	Annual Cost	3% Increase	Next year base
26-27	\$ 1,156,675.25	\$ 125,019.41	\$ 1,281,694.66
27-28	\$ 1,281,694.66	\$ 38,450.85	\$ 1,320,145.51
28-29	\$ 1,320,145.51	\$ 39,604.37	\$ 1,359,749.87
29-30	\$ 1,359,749.87	\$ 40,792.50	\$ 1,400,542.37
30-31	\$ 1,400,542.36	\$ 42,016.27	\$ 1,442,558.63

Extra Work may be authorized, as described below; and if authorized, said Extra Work will be compensated at the rates and manner set forth in this Agreement.

3.3.2 Payment of Compensation. At the close of each month, Consultant shall submit to City a monthly itemized statement which indicates work completed and hours of Services rendered by Consultant. The statement shall state the balance of the City’s account, reflecting any previous deposits or other payments, and describe the amount of Services and supplies provided since the initial commencement date, or since the start of the subsequent billing periods, as appropriate, through the date of the statement. City shall, within forty-five (45) days of receiving such statement, review the statement and pay all approved charges thereon.

3.3.3 Reimbursement for Expenses. Consultant shall not be reimbursed for any expenses not included within the Scope of Services (Exhibit “B”) unless authorized in writing by City. The City may reimburse Consultant for City’s share of leased hangar facilities with written authorization from the Police Chief.

3.3.4 Extra Work. At any time during the term of this Agreement, City may request that Consultant perform Extra Work. As used herein, “Extra Work” means any work which is determined by City to be necessary for the proper completion of the Project, but which the Parties did not reasonably anticipate would be necessary at the execution of this Agreement. Consultant shall not perform, nor be compensated for, Extra Work without written authorization from City’s Representative. In no case shall Extra Work exceed 10% of the annual total compensation for that contract year.

3.3.5 Prevailing Wages. Consultant is aware of the requirements of California Labor Code Sections 1720, et seq., and 1770, et seq., as well as California Code of Regulations, Title 8, Section 16000, et seq., (“Prevailing Wage Laws”), which require the payment of prevailing wage rates and the performance of other requirements on certain “public works” and “maintenance” projects. If the Services are being performed as part of an applicable “public works” or “maintenance” project, as defined by the Prevailing Wage Laws, and if the total compensation is One Thousand Dollars (\$1,000) or more, Consultant agrees to fully comply with such Prevailing Wage Laws. City shall provide Consultant with a copy of the prevailing rates of per diem wages in effect at the commencement of this Agreement. Consultant shall make copies of the prevailing rates of per diem wages for each craft, classification or type of worker needed to execute the Services available to interested parties upon request, and shall post copies at the Consultant’s

principal place of business and at the project site. Consultant shall defend, indemnify and hold the City, its elected officials, officers, employees, volunteers and agents free and harmless from any claims, liabilities, costs, penalties or interest arising out of any failure or alleged failure to comply with the Prevailing Wage Laws.

3.4 Accounting Records.

3.4.1 Maintenance and Inspection. Consultant shall maintain complete and accurate records with respect to all costs and expenses incurred under this Agreement. All such records shall be clearly identifiable. Consultant shall allow a representative of City during normal business hours to examine, audit, and make transcripts or copies of such records and any other documents created pursuant to this Agreement. Consultant shall allow inspection of all work, data, documents, proceedings, and activities related to the Agreement for a period of three (3) years from the date of final payment under this Agreement.

3.5 General Provisions.

3.5.1 Termination of Agreement.

3.5.1.1 Grounds for Termination. Either party may, by written notice to the other party, terminate the whole or any part of this Agreement at any time and without cause by giving written notice to the other party of such termination, and specifying the effective date thereof, at least thirty (30) days before the effective date of such termination. Upon termination, Consultant shall be compensated only for those services which have been adequately rendered to City, and Consultant shall be entitled to no further compensation.

3.5.1.2 Effect of Termination. If this Agreement is terminated as provided herein, City may require Consultant to provide all finished or unfinished Documents and Data and other information of any kind prepared by Consultant in connection with the performance of Services under this Agreement. Consultant shall be required to provide such documents and other information within fifteen (15) days of the request.

3.5.1.3 Additional Services. In the event this Agreement is terminated in whole or in part as provided herein, City may procure, upon such terms and in such manner as it may determine appropriate, services similar to those terminated.

3.5.1.4 Termination for Lack of Appropriation. If funds are not appropriated or if funds are not otherwise made available to the City for continued performance of the Contract for any fiscal period covered by the Contract, the Contract shall be automatically terminated as of the beginning of the fiscal year for which funds were not appropriated or otherwise made available; however, this will not affect either the City's rights nor the Contractor's rights under any other termination provision in the Contract. The effect of a termination of the resultant Contract will be to discharge both the City and the Contractor from future performance of the Contract, but not from their obligations existing at the time of termination.

3.5.2 Delivery of Notices. All notices permitted or required under this Agreement shall be given to the respective Parties at the following address, or at such other address as the respective parties may provide in writing for this purpose:

City
City of Fontana
8353 Sierra Avenue
Fontana, California 92335
Attn: **Chief of Police**

Consultant
HeliSafe, Inc
3333 Airport Drive
Torrance, California 90505
Attn: **Bob Muse**

Such notice shall be deemed made when personally delivered or when mailed, forty-eight (48) hours after deposit in the U.S. Mail, first class postage prepaid and addressed to the Party at its applicable address. Actual notice shall be deemed adequate notice on the date actual notice occurred, regardless of the method of service.

3.5.3 Ownership of Materials and Confidentiality.

3.5.3.1 Documents & Data; Licensing of Intellectual Property. This Agreement creates a non-exclusive and perpetual license for City to copy, use, modify, reuse, or sublicense any and all copyrights, designs, and other intellectual property embodied in plans, specifications, studies, drawings, estimates, and other documents or works of authorship fixed in any tangible medium of expression, including but not limited to, physical drawings or data magnetically or otherwise recorded on computer diskettes, which are prepared or caused to be prepared by Consultant under this Agreement ("Documents & Data"). All Documents & Data shall be and remain the property of City, and shall not be used in whole or in substantial part by Consultant on other projects without the City's express written permission. Within thirty (30) days following the completion, suspension, abandonment or termination of this Agreement, Consultant shall provide to City reproducible copies of all Documents & Data, in a form and amount required by City. City reserves the right to select the method of document reproduction and to establish where the reproduction will be accomplished. The reproduction expense shall be borne by City at the actual cost of duplication. In the event of a dispute regarding the amount of compensation to which the Consultant is entitled under the termination provisions of this Agreement, Consultant shall provide all Documents & Data to City upon payment of the undisputed amount. Consultant shall have no right to retain or fail to provide to City any such documents pending resolution of the dispute. In addition, Consultant shall retain copies of all Documents & Data on file for a minimum of fifteen (15) years following completion of the Project, and shall make copies available to City upon the payment of actual reasonable duplication costs. Before destroying the Documents & Data following this retention period, Consultant shall make a reasonable effort to notify City and provide City with the opportunity to obtain the documents. City agrees to disclose these documents to third parties only to the extent required by law.

3.5.3.2 Subcontractors. Consultant shall require all subcontractors to agree in writing that City is granted a non-exclusive and perpetual license for any Documents & Data the subcontractor prepares under this Agreement. Consultant represents and warrants that Consultant has the legal right to license any and all Documents & Data. Consultant makes no such representation and warranty in regard to Documents & Data which were prepared by design professionals other than Consultant or its subcontractors, or those provided to Consultant by the City.

3.5.3.3 Right to Use. City shall not be limited in any way in its use or reuse of the Documents and Data or any part of them at any time for purposes of this Project or another project, provided that any such use not within the purposes intended

by this Agreement or on a project other than this Project without employing the services of Consultant shall be at City's sole risk. If City uses or reuses the Documents & Data on any project other than this Project, it shall remove the Consultant's seal from the Documents & Data and indemnify and hold harmless Consultant and its officers, directors, agents and employees from claims arising out of the negligent use or re-use of the Documents & Data on such other project. Consultant shall be responsible and liable for its Documents & Data, pursuant to the terms of this Agreement, only with respect to the condition of the Documents & Data at the time they are provided to the City upon completion, suspension, abandonment or termination. Consultant shall not be responsible or liable for any revisions to the Documents & Data made by any party other than Consultant, a party for whom the Consultant is legally responsible or liable, or anyone approved by the Consultant.

3.5.3.4 Indemnification. Consultant shall defend, indemnify and hold the City, its directors, officials, officers, employees, volunteers and agents free and harmless, pursuant to the indemnification provisions of this Agreement, for any alleged infringement of any patent, copyright, trade secret, trade name, trademark, or any other proprietary right of any person or entity in consequence of the use on the Project by City of the Documents & Data, including any method, process, product, or concept specified or depicted.

3.5.3.5 Confidentiality. All ideas, memoranda, specifications, plans, procedures, drawings, descriptions, computer program data, input record data, written information, and other Documents and Data either created by or provided to Consultant in connection with the performance of this Agreement shall be held confidential by Consultant. Such materials shall not, without the prior written consent of City, be used by Consultant for any purposes other than the performance of the Services. Nor shall such materials be disclosed to any person or entity not connected with the performance of the Services or the Project. Nothing furnished to Consultant which is otherwise known to Consultant or is generally known, or has become known, to the related industry shall be deemed confidential. Consultant shall not use City's name or insignia, photographs of the Project, or any publicity pertaining to the Services or the Project in any magazine, trade paper, newspaper, television or radio production or other similar medium without the prior written consent of City.

3.5.4 Indemnification.

3.5.4.1 Scope of Indemnity. To the fullest extent permitted by law, Consultant shall defend, indemnify and hold the City, its directors, officials, officers, employees, volunteers and agents free and harmless from any and all non-aircraft related claims, demands, causes of action, costs, expenses, liability, loss, damage or injury of any kind, in law or equity, to property or persons, including wrongful death, in any manner arising out of, pertaining to, or incident to any alleged non-aircraft related acts, errors or omissions of Consultant, its officials, officers, employees, subcontractors, consultants or agents in connection with the performance of the Consultant's Services, the Project or this Agreement, including without limitation the payment of all consequential damages, expert witness fees and attorney's fees and other related costs and expenses. Notwithstanding the foregoing, to the extent Consultant's Services are subject to Civil Code Section 2782.8, the above indemnity shall be limited, to the extent required by Civil Code Section 2782.8, to claims that arise out of, pertain to, or relate to the negligence,

recklessness, or willful misconduct of the Consultant. Consultant is named as an additional insured under the City's aircraft insurance policy and reserves all rights of recovery thereunder.

3.5.5 Governing Law; Government Code Claim Compliance. This Agreement shall be governed by the laws of the State of California. Venue shall be in Los Angeles County. In addition to any and all contract requirements pertaining to notices of and requests for compensation or payment for extra work, disputed work, claims and/or changed conditions, Consultant must comply with the claim procedures set forth in Government Code sections 900 et seq. prior to filing any lawsuit against the City. Such Government Code claims and any subsequent lawsuit based upon the Government Code claims shall be limited to those matters that remain unresolved after all procedures pertaining to extra work, disputed work, claims, and/or changed conditions have been followed by Consultant. If no such Government Code claim is submitted, or if any prerequisite contractual requirements are not otherwise satisfied as specified herein, Consultant shall be barred from bringing and maintaining a valid lawsuit against the City.

3.5.6 Cooperation; Further Acts. The Parties shall fully cooperate with one another, and shall take any additional acts or sign any additional documents as may be necessary, appropriate or convenient to attain the purposes of this Agreement.

3.5.7 Attorney's Fees. If either Party commences an action against the other Party, either legal, administrative or otherwise, arising out of or in connection with this Agreement, the prevailing party in such litigation shall be entitled to have and recover from the losing party reasonable attorney's fees and all other costs of such action.

3.5.8 Governing Law. This Agreement shall be governed by the laws of the State of California. Venue shall be in San Bernardino County.

3.5.9 Time of Essence. Time is of the essence for each and every provision of this Agreement.

3.5.10 City's Right to Employ Other Consultants. City reserves right to employ other consultants in connection with this Project.

3.5.11 Successors and Assigns. This Agreement shall be binding on the successors and assigns of the Parties.

3.5.12 Assignment or Transfer. Consultant shall not assign, hypothecate, or transfer, either directly or by operation of law, this Agreement or any interest herein without the prior written consent of the City. Any attempt to do so shall be null and void, and any assignees, hypothecates or transferees shall acquire no right or interest by reason of such attempted assignment, hypothecation or transfer.

3.5.13 Construction; References; Captions. Since the Parties or their agents have participated fully in the preparation of this Agreement, the language of this Agreement shall be construed simply, according to its fair meaning, and not strictly for or against any Party. Any term referencing time, days or period for performance shall be deemed calendar days and not work days. All references to Consultant include all personnel, employees, agents, and subcontractors of Consultant, except as otherwise specified in this Agreement. All references to City include its elected officials, officers, employees, agents, and volunteers except as otherwise specified in this Agreement. The captions of the various articles and paragraphs are for convenience and ease

of reference only, and do not define, limit, augment, or describe the scope, content, or intent of this Agreement.

3.5.14 Amendment; Modification. No supplement, modification, or amendment of this Agreement shall be binding unless approved by the City Council and executed in writing and signed by both Parties.

3.5.15 Waiver. No waiver of any default shall constitute a waiver of any other default or breach, whether of the same or other covenant or condition. No waiver, benefit, privilege, or service voluntarily given or performed by a Party shall give the other Party any contractual rights by custom, estoppel, or otherwise.

3.5.16 No Third Party Beneficiaries. There are no intended third party beneficiaries of any right or obligation assumed by the Parties.

3.5.17 Invalidity; Severability. If any portion of this Agreement is declared invalid, illegal, or otherwise unenforceable by a court of competent jurisdiction, the remaining provisions shall continue in full force and effect.

3.5.18 Prohibited Interests. Consultant maintains and warrants that it has not employed nor retained any company or person, other than a bona fide employee working solely for Consultant, to solicit or secure this Agreement. Further, Consultant warrants that it has not paid nor has it agreed to pay any company or person, other than a bona fide employee working solely for Consultant, any fee, commission, percentage, brokerage fee, gift or other consideration contingent upon or resulting from the award or making of this Agreement. For breach or violation of this warranty, City shall have the right to rescind this Agreement without liability. For the term of this Agreement, no member, officer or employee of City, during the term of his or her service with City, shall have any direct interest in this Agreement, or obtain any present or anticipated material benefit arising therefrom.

3.5.19 Equal Opportunity Employment. Consultant represents that it is an equal opportunity employer and it shall not discriminate against any subcontractor, employee or applicant for employment because of race, religion, color, national origin, handicap, ancestry, sex or age. Such non-discrimination shall include, but not be limited to, all activities related to initial employment, upgrading, demotion, transfer, recruitment or recruitment advertising, layoff or termination. Consultant shall also comply with all relevant provisions of any City's Minority Business Enterprise program, Affirmative Action Plan or other related programs or guidelines currently in effect or hereinafter enacted.

3.5.20 Labor Certification. By its signature hereunder, Consultant certifies that it is aware of the provisions of Section 3700 of the California Labor Code which require every employer to be insured against liability for Workers' Compensation or to undertake self-insurance in accordance with the provisions of that Code, and agrees to comply with such provisions before commencing the performance of the Services.

3.5.21 Authority to Enter Agreement. Consultant has all requisite power and authority to conduct its business and to execute, deliver, and perform the Agreement. Each Party warrants that the individuals who have signed this Agreement have the legal power, right, and authority to make this Agreement and bind each respective Party.

3.5.22 Counterparts. This Agreement may be signed in counterparts, each of which shall constitute an original.

3.6 Subcontracting.

3.6.1 Notice Required. Consultant shall not subcontract any portion of the work required by this Agreement, except as expressly stated herein, without prior written notice to the City. Subcontractors, if any, shall not be considered third-party beneficiaries to this Agreement. Consultant agrees to indemnify and hold the City harmless from any claims brought by Subcontractors for activities performed under this Agreement.

[SIGNATURE PAGE ON FOLLOWING PAGE]

**SIGNATURE PAGE
TO
CITY OF FONTANA
PROFESSIONAL SERVICES AGREEMENT
PD-26-185-MS**

CITY OF FONTANA

HELISAFE, LLC

By: _____
Mathew Ballantyne
City Manager

By: _____
Bob Muse
Chief Executive Officer

Attest:

*Attest:*¹

By: _____
Germaine Key
City Clerk
Approved as to form:

By: _____
Name:
Title:

Best Best & Krieger LLP
City Attorney

By: _____

By: _____
Michael Dorsey
Chief of Police

IN COMPLIANCE WITH CONTRACT INSURANCE REQUIREMENTS

By: _____
Rakesha L. Voss
Human Resources/Risk Management

**IN COMPLIANCE WITH PURCHASING AND CONTRACT ADMINISTRATION
POLICIES/PROCEDURES**

Jessica Brown
Chief Financial Officer

Sid Lambert
Purchasing Manager

¹ Attestation of Consultant's signature must be obtained when required by the by-laws, articles of incorporation or other laws, rules or regulations applicable to Consultant's business entity.

EXHIBIT "A"

SCOPE OF SERVICES

Aircraft Services

HeliSafe will manage and maintain the department's aircraft. All routine scheduled maintenance will be provided for the unit's two Robinson R66, and the AS350B2 aircraft.

When HeliSafe starts service, the aircraft will undergo an FAA inspection. Based on this, a report will be drafted as to each aircraft's condition and any outstanding work that needs to be completed.

Aircraft insurance will remain the responsibility of the City of Fontana, with HeliSafe and their pilots being named as additionally insured. HeliSafe will offer assistance with renegotiating insurance rates or seeking an alternative policy.

Personnel Services

HeliSafe will provide quality pilots specifically trained in airborne law-enforcement missions for the city of Fontana.

All pilots will be FAA certified commercial pilots in compliance with all 14 CFR Part 61 requirements. All flights will be conducted under title 14 CFR Part 91.

City owned equipment assets

HeliSafe will complete a new inventory of city owned assets maintained under the care and control of HeliSafe. HeliSafe will provide an update on the current condition and use. Items no longer of value to the unit will be returned to the city and if desired, HeliSafe will provide assistance in disposing/selling said items.

Tactical Flight Officer Training

HeliSafe, working under the air support department supervisor will assist in providing Tactical Flight Officer training for department assigned personnel. Training will be performed utilizing a department approved training syllabus.

Unscheduled Aircraft Maintenance

HeliSafe will cover normal Unscheduled Maintenance on the helicopters airframe's and powerplant's, but not the installed police equipment (FLIR system, moving map computer, PA system, Lowjack, FM radios and searchlight)

In order to ascertain the state of the aircraft and if they have any preexisting damage, they will undergo a thorough inspection and any discrepancies noted.

FAA AD's (Airworthiness Directives) and Robinson SB's (Service Bulletins) would not be covered by HeliSafe's unscheduled maintenance budget. These are very rare, but are mandatory orders that if issued, the work must be complied with or parts changed.

When operating aircraft there is always the possibility of an unforeseen major component failure that would not be considered normal unscheduled maintenance. Thankfully these occurrences are rare. HeliSafe would work closely with the OEM's and the department, ensuring the best possible component costs and covering labor. HeliSafe will always seek ways of having OEM's covering these components under warranty or discounting components and covering labor cost.

Prior to addressing any AD's, SB's or component replacement where the City of Fontana would occur any cost that were not covered under the proposal, HeliSafe will meet with the Fontana Police Department's point of contact. HeliSafe will provide a written report outlining the necessary work and associated cost before any work is performed. As stated, these occurrences are rare and cannot be forecasted. HeliSafe will provide services at no cost addressing any of these issues, including HeliSafe's maintenance personnel performing any labor that can be done by HeliSafe at no cost to the city.

**EXHIBIT "B"
COMPENSATION**

**PROJECTED 5 YEAR CONTRACT
YEAR 1 (11 MONTHS)**

HeliSafe Services

HeliSafe Management Service

YEAR 5 Cost Sheet

Calculated on 40 Shift Hours per week (20 flight hours), 1040 Flight Hours per 12 months (954 hours for 11 months year 1.)

AS350B2 520 hours equates to 50% usage of flight time.

R66 520 hours equates to 50% usage of flight time.

	Cost	Billing Unit	Number	Extended Cost	Name
Management Service Fee	\$6,900.00	Monthly	11 months	\$75,900.00	AS350
Aircraft and Asset Storage	\$3,450.00	Monthly	11 months	\$37,950.00	Space for AS350
Pilot Services	\$75.00	Hourly	1,920 hours	\$144,000.00	10-hour shift, 4 days a week.
Officer/Observer					
R66 Fuel Costs & Scheduled Maintenance	\$194.00	Hourly	477 per year	\$92,538.00	Based on 477 flight hours
R66 Reserve For Overhaul	\$225.00	Hourly	477 per year	\$107,325.00	Based on 477 flight hours
AS350B2 Hourly Variable Costs, Fuel, Scheduled Maint., Parts, ENG Res.	\$1,100.50	Hourly	477 per year	\$524,938.50	Based on 477 flight hours
AS350B2 unscheduled maintenance Component Reserve account	\$156,773.75	Annually	1	\$156,773.75	Unscheduled maint. And replacement parts as needed. Funds not used during the year will be rolled over to the following years account
Pilot Training	\$17,250.00	Annually	1	\$17,250.00	Training R66/AS350
TOTAL YEAR 1 :					
\$ 1,156,675.25					

PROJECTED 5 YEAR CONTRACT YEAR 2

HeliSafe Services

HeliSafe Management Service

YEAR 5 Cost Sheet

Calculated on 40 Shift Hours per week (20 flight hours), 1040 Flight Hours per year (12 months).

AS350B2 520 hours equates to 50% usage of flight time.

R66 520 hours equates to 50% usage of flight time.

	Cost	Billing Unit	Number	Extended Cost	Name
Management Service Fee	\$7,107.00	Monthly	12 months	\$85,284.00	AS350
Aircraft and Asset Storage	\$3,553.50	Monthly	12 months	\$42,642.00	Space for AS350
Pilot Services	\$77.25	Hourly	2,080 hours	\$160,680.00	10-hour shift, 4 days a week.
Officer/Observer					
R66 Fuel Costs & Scheduled Maintenance	\$199.82	Hourly	520 per year	\$103,906.40	Based on 520 flight hours
R66 Reserve For Overhaul	\$231.75	Hourly	520 per year	\$120,510.00	Based on 520 flight hours
AS350B2 Hourly Variable Costs, Fuel, Scheduled Maint., Parts, ENG Res.	\$1,133.52	Hourly	520 per year	\$589,430.40	Based on 520 flight hours
AS350B2 unscheduled maintenance Component Reserve account	\$161,476.96	Annually	1	\$161,476.96	Unscheduled maint. And replacement parts as needed. Funds not used during the year will be rolled over to the following years account
Pilot Training	\$17,767.50	Annually	1	\$17,767.50	Training R66/AS350
TOTAL YEAR 2 :				\$ 1,281,694.66	

PROJECTED 5 YEAR CONTRACT YEAR 3

**HeliSafe Services
HeliSafe Management Service
YEAR 5 Cost Sheet**

Calculated on 40 Shift Hours per week (20 flight hours), 1040 Flight Hours per year (12 months).
AS350B2 520 hours equates to 50% usage of flight time.
R66 520 hours equates to 50% usage of flight time.

	Cost	Billing Unit	Number	Extended Cost	Name
Management Service Fee	\$7,320.21	Monthly	12 months	\$87,842.52	AS350
Aircraft and Asset Storage	\$3,660.11	Monthly	12 months	\$43,921.26	Space for AS350
Pilot Services	\$79.57	Hourly	2,080 hours	\$165,500.40	10-hour shift, 4 days a week.
Officer/Observer					
R66 Fuel Costs & Scheduled Maintenance	\$205.81	Hourly	520 per year	\$107,023.59	Based on 520 flight hours
R66 Reserve For Overhaul	\$238.70	Hourly	520 per year	\$124,125.30	Based on 520 flight hours
AS350B2 Hourly Variable Costs, Fuel, Scheduled Maint., Parts, ENG Res.	\$1,167.52	Hourly	520 per year	\$607,110.63	Based on 520 flight hours
AS350B2 unscheduled maintenance Component Reserve account	\$166,321.27	Annually	1	\$166,321.27	Unscheduled maint. And replacement parts as needed. Funds not used during the year will be rolled over to the following years account
Pilot Training	\$18,300.53	Annually	1	\$18,300.53	Training R66/AS350
TOTAL YEAR 3 :				\$ 1,320,145.51	

PROJECTED 5 YEAR CONTRACT YEAR 4

**HeliSafe Services
HeliSafe Management Service
YEAR 5 Cost Sheet**

Calculated on 40 Shift Hours per week (20 flight hours), 1040 Flight Hours per year (12 months).

AS350B2 520 hours equates to 50% usage of flight time.

R66 520 hours equates to 50% usage of flight time.

	Cost	Billing Unit	Number	Extended Cost	Name
Management Service Fee	\$7,539.82	Monthly	12 months	\$90,477.80	AS350
Aircraft and Asset Storage	\$3,769.91	Monthly	12 months	\$45,238.90	Space for AS350
Pilot Services	\$81.95	Hourly	2,080 hours	\$170,465.41	10-hour shift, 4 days a week.
Officer/Observer					
R66 Fuel Costs & Scheduled Maintenance	\$211.99	Hourly	520 per year	\$110,234.30	Based on 520 flight hours
R66 Reserve For Overhaul	\$245.86	Hourly	520 per year	\$127,849.06	Based on 520 flight hours
AS350B2 Hourly Variable Costs, Fuel, Scheduled Maint., Parts, ENG Res.	\$1,202.55	Hourly	520 per year	\$625,323.95	Based on 520 flight hours
AS350B2 unscheduled maintenance Component Reserve account	\$171,310.91	Annually	1	\$171,310.91	Unscheduled maint. And replacement parts as needed. Funds not used during the year will be rolled over to the following years account
Pilot Training	\$18,849.54	Annually	1	\$18,849.54	Training R66/AS350
TOTAL YEAR 3 :				\$ 1,359,749.87	

PROJECTED 5 YEAR CONTRACT YEAR 5

HeliSafe Services

HeliSafe Management Service

YEAR 5 Cost Sheet

Calculated on 40 Shift Hours per week (20 flight hours), 1040 Flight Hours per year (12 months).

AS350B2 520 hours equates to 50% usage of flight time.

R66 520 hours equates to 50% usage of flight time.

	Cost	Billing Unit	Number	Extended Cost	Name
Management Service Fee	\$7,766.01	Monthly	12 months	\$93,192.13	AS350
Aircraft and Asset Storage	\$3,883.01	Monthly	12 months	\$46,596.06	Space for AS350
Pilot Services	\$84.41	Hourly	2,080 hours	\$175,579.37	10-hour shift, 4 days a week.
Officer/Observer					
R66 Fuel Costs & Scheduled Maintenance	\$218.35	Hourly	520 per year	\$113,541.33	Based on 520 flight hours
R66 Reserve For Overhaul	\$253.24	Hourly	520 per year	\$131,684.53	Based on 520 flight hours
AS350B2 Hourly Variable Costs, Fuel, Scheduled Maint., Parts, ENG Res.	\$1,238.62	Hourly	520 per year	\$644,083.67	Based on 520 flight hours
AS350B2 unscheduled maintenance Component Reserve account	\$176,450.24	Annually	1	\$176,450.24	Unscheduled maint. And replacement parts as needed. Funds not used during the year will be rolled over to the following years account
Pilot Training	\$19,415.03	Annually	1	\$19,415.03	Training R66/AS350
TOTAL YEAR 5 :				\$ 1,400,542.37	

PROJECTED 5 YEAR CONTRACT

HeliSafe Services
HeliSafe Management Service
YEAR 5 Cost Sheet

Calculated on 40 Shift Hours per week (20 flight hours), 1040 Flight Hours per year.
AS350B2 520 hours equates to 50% usage of flight time.
R66 520 hours equates to 50% usage of flight time.

	Cost	Billing Unit	Number	Extended Cost	Name
Management Service Fee	\$6,900.00	Monthly	12 months	\$82,800.00	AS350
Aircraft and Asset Storage	\$3,450.00	Monthly	12 months	\$41,400.00	Space for AS350
Pilot Services	\$75.00	Hourly	2,080 hours	\$156,000.00	10-hour shift, 4 days a week.
Officer/Observer					
R66 Fuel Costs & Scheduled Maintenance	\$194.00	Hourly	520 per year	\$100,880.00	Based on 520 flight hours
R66 Reserve For Overhaul	\$225.00	Hourly	520 per year	\$117,000.00	Based on 520 flight hours
AS350B2 Hourly Variable Costs, Fuel, Scheduled Maint., Parts, ENG Res.	\$1,100.50	Hourly	520 per year	\$572,260.00	Based on 520 flight hours
AS350B2 unscheduled maintenance Component Reserve account	\$156,773.75	Annually	1	\$156,773.75	Unscheduled maint. And replacement parts as needed. Funds not used during the year will be rolled over to the following years account
Pilot Training	\$17,250.00	Annually	1	\$17,250.00	Training R66/AS350
3% Price Increase For Year 2	\$3,110.90	Monthly	12 months	\$37,330.91	\$1,281,694.66
3% Price Increase For Year 3	\$3,204.23	Monthly	12 months	\$38,450.83	\$1,320,145.50
3% Price Increase For Year 4	\$3,300.36	Monthly	12 months	\$39,604.36	\$1,359,749.86
3% Price Increase For Year 5	\$3,399.37	Monthly	12 months	\$40,792.49	\$1,400,542.36

TOTAL YEAR 1 :\$ 1,156,675.25
TOTAL YEAR 5: \$ 1,400,542.37

Note: Cost is based on a 5-year contract and 3% increase per year

HeliSafe service fee will cover the hourly reserve for aircraft overhaul based on RHC's published R66 Turbine Estimated Operating Cost RESERVE FOR OVERHAUL which it published every January 15th of the new year.

This exhibit shall be updated in each contract year, consistent with the terms of Section 3.3 of this Agreement.

EXHIBIT "C"
INSURANCE TO BE PROVIDED BY THE CITY

[Cover Page]