

Date: February 7, 2023

To: Honorable Chairman Oliver G. Gilbert, III
and Members, Board of County Commissioners

From: Daniella Levine Cava
Mayor



Agenda Item No. 8(P)(6)

Resolution No. R-78-23

Subject: Recommendation for Approval to Award a Designated Purchase Contract: BW-10079,
Helicopter Fleet Management Program

Summary

This item is recommending award of a designated purchase for a helicopter engine warranty coverage, parts, and maintenance support program for Miami-Dade Fire Rescue Department (Fire Rescue), air rescue helicopters. Pratt & Whitney Canada Corp. (PWC) supplies the engines used in the four AgustaWestland, AW139 Air Rescue Helicopters. Helicopter fleet management program services are critical to Air Rescue Bureau operations as it eliminates the risk of expensive, unscheduled maintenance and significantly decreases aircraft down time. Additionally, this program allows the County to effectively budget for maintenance expenditures based on projected hours of operation. PWC, the original equipment manufacturer, is the only vendor that is authorized to offer a program that covers engine maintenance, repair, and overhaul services for the helicopters used by Fire Rescue. There are no Small Business Enterprise (SBE) firms certified under the applicable commodities codes.

Recommendation

It is recommended that the Board of County Commissioners (Board) approve this request for award of Designated Purchase *Contract No. BW-10079, Helicopter Fleet Management Program*, to PWC for Fire Rescue in the amount of \$19,434,554. Approval of a designated purchase is requested, pursuant to Section 2-8.1(b)(3) of the Miami-Dade County Code, by a two-thirds vote of the Board members present, to authorize award of a contract for a Helicopter Fleet Management Program. This recommendation includes waiver and modification of various County affidavits as listed below.

Competition for these services is not practicable at this time because PWC, the original equipment manufacturer, is the only vendor that is authorized to offer a program that covers engine maintenance, repair, and overhaul services for the helicopters used by Fire Rescue. Accordingly, it is in the County's best interest to award this designated purchase contract pursuant to Section 2-8.1(b)(3) of the County Code to continue purchasing helicopter fleet management program services.

Background

The County is currently utilizing *Contract No. SS6196-3/25, Pratt & Whitney Support Plan*, which was awarded by the Board through Resolution No. R-210-06 on February 21, 2006 in the amount of \$22,000,000 for a 20-year term for the County's former fleet of Bell helicopters. Following the purchase of the new fleet of AW 139 helicopters, this contract was modified to provide a short-term maintenance and support solution for the fleet. Upon approval of this item, the current contract will be terminated for convenience.

During negotiations, PWC disclosed that due to the corporate charter, rules and regulations, PWC was unable to comply with certain County vendor registration requirements or accept some of the required affidavits in their current form. Seven County affidavits, listed below, were modified by adding a preface for each affidavit that states: "To the extent that Pratt & Whitney Canada Corp. performs any services in Miami-Dade County", which means that these requirements would only apply in situations where PWC staff perform services in Miami-Dade County. It should be noted that these modifications to the affidavits are consistent with modifications made to these documents under the current contract.

1. Employment Disclosure
2. Drug Free Workplace
3. Disability and Nondiscrimination
4. Code of Business Ethics
5. Family Leave
6. Living Wage
7. Domestic Leave and Reporting

Additionally, the Debarment Disclosure Affidavit was modified to read as follows: “Firms wishing to do business with Miami-Dade County must certify that its officers, principals, stockholders, are not debarred by the County before submitting a bid.” The Vendor Obligation to County affidavit, was modified to include “to the best of Pratt & Whitney Canada’s knowledge.” The E-Verify Affidavit, was modified to include “to the extent Pratt & Whitney Canada hires employees in the United States.”

Scope

The scope of this item is countywide in nature.

Fiscal Impact/Funding Source

The fiscal impact for the 19-year term is \$19,434,554. This 19-year term is consistent with the fleet management program offered by PWC. The current contract, SS6196-3/25-3, is valued at \$22,000,000 for a 20-year term and expires on July 31, 2026. If all engines under this agreement are removed, overhauled or helicopters are no longer in service, this agreement will be terminated prior to the expiration of the term. The allocation under the current contract is slightly higher than the replacement contract due to a change in the helicopter make and model.

Department	Allocation	Funding Source	Contract Manager
Fire Rescue	\$19,434,554	Countywide General Fund	Marianela Betancourt
Total:	\$19,434,554		

Track Record/Monitor

Vanessa Stroman of the Strategic Procurement Department is the Procurement Contracting Manager.

Delegated Authority

If this item is approved, the County Mayor or County Mayor’s designee will have the authority to exercise all provisions of the contract, including any cancellation or extension provisions, pursuant to Section 2-8.1 of the County Code and Implementing Order 3-38.

Vendor Recommended for Award

Pursuant to Resolution No. R-477-18, the recommended Pratt & Whitney Canada, the original equipment manufacturer, and the only vendor that is authorized to offer these services, is not a local vendor.

Vendor	Principal Address	Local Address*	Number of Employee Residents	Principal
			1) Miami-Dade 2) Percentage*	
Pratt & Whitney Canada Corp.	1300-1969 Upper Water Street Halifax Nouvelle-Écosse, Canada	None	0	Maria Della Posta
			0%	

*Provided pursuant to Resolution No. R-1011-15. Percentage of employee residents is the percentage of vendor’s employees who reside in Miami-Dade County as compared to the vendor’s total workforce.

Due Diligence

Pursuant to Resolution No. R-187-12, due diligence was conducted in accordance with the Internal Services Department's Procurement Guidelines to determine contractor responsibility, including verifying corporate status and that there are no performance or compliance issues through various vendor responsibility lists and a keyword internet search. The lists that were referenced included convicted vendors, debarred vendors, delinquent contractors, suspended vendors, and federal excluded parties. There were no adverse findings relating to contractor responsibility.

Applicable Ordinances and Contract Measures

- The two percent User Access Program provision applies where permitted by the funding source.
- The Small Business Enterprise measures and Local Preference do not apply.
- The Living Wage Ordinance does not apply as the services to be procured are not covered services under the Ordinance.
- The Responsible Wages and Benefits Ordinance does not apply as the services are not covered under the Ordinance.



Alfredo "Freddy" Ramirez III
Chief of Safety and Emergency Response



MEMORANDUM
(Revised)

TO: Honorable Chairman Oliver G. Gilbert, III
and Members, Board of County Commissioners

DATE: February 7, 2023

FROM: 
Gen Bonzon-Keenan
County Attorney

SUBJECT: Agenda Item No. 8(P)(6)

Please note any items checked.

- "3-Day Rule" for committees applicable if raised
- 6 weeks required between first reading and public hearing
- 4 weeks notification to municipal officials required prior to public hearing
- Decreases revenues or increases expenditures without balancing budget
- Budget required
- Statement of fiscal impact required
- Statement of social equity required
- Ordinance creating a new board requires detailed County Mayor's report for public hearing
- No committee review
- Applicable legislation requires more than a majority vote (i.e., 2/3's present , 2/3 membership ____, 3/5's ____, unanimous ____, CDMP 7 vote requirement per 2-116.1(3)(h) or (4)(c) ____, CDMP 2/3 vote requirement per 2-116.1(3)(h) or (4)(c) ____, or CDMP 9 vote requirement per 2-116.1(4)(c)(2) ____) to approve
- Current information regarding funding source, index code and available balance, and available capacity (if debt is contemplated) required

Approved _____ Mayor
Veto _____
Override _____

Agenda Item No. 8(P)(6)
2-7-23

RESOLUTION NO. _____ R-78-23

RESOLUTION AUTHORIZING DESIGNATED PURCHASE PURSUANT TO SECTION 2-8.1(B)(3) OF THE COUNTY CODE BY A TWO-THIRDS VOTE OF THE BOARD MEMBERS PRESENT; AUTHORIZING AWARD OF CONTRACT NO. BW-10079 FOR THE PURCHASE OF HELICOPTER FLEET MANAGEMENT PROGRAM TO PRATT & WHITNEY CANADA CORP. IN AN AMOUNT NOT TO EXCEED \$19,434,554.00 FOR A 19-YEAR TERM FOR THE MIAMI-DADE FIRE RESCUE DEPARTMENT; AND AUTHORIZING THE COUNTY MAYOR OR COUNTY MAYOR'S DESIGNEE TO EXERCISE ALL PROVISIONS OF THE CONTRACT, INCLUDING ANY CANCELLATION OR EXTENSION PROVISIONS, PURSUANT TO SECTION 2-8.1 OF THE COUNTY CODE AND IMPLEMENTING ORDER 3-38

WHEREAS, this Board desires to accomplish the purposes outlined in the accompanying memorandum, a copy of which is incorporated herein by reference,

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF MIAMI-DADE COUNTY, FLORIDA, that:

Section 1. This Board finds it is in the best interest of Miami-Dade County to award Contract No. BW-10079 as a designated purchase, in substantially the form attached and made a part hereof, for the purchase of Helicopter Fleet Management Program to Pratt & Whitney Canada Corp. in an amount not to exceed \$19,434,554.00 for the 19-year term for the Miami-Dade Fire Rescue Department, pursuant to section 2-8.1(b)(3) of the Code of Miami-Dade County, by a two-thirds vote of the Board members present.

Section 2. This Board authorizes the County Mayor or County Mayor's designee to exercise all provisions of the contract, including any cancellation or extension provisions, pursuant to section 2-8.1 of the County Code and Implementing Order 3-38.

The foregoing resolution was offered by Commissioner **Anthony Rodriguez**, who moved its adoption. The motion was seconded by Commissioner **Danielle Cohen Higgins** and upon being put to a vote, the vote was as follows:

Oliver G. Gilbert, III, Chairman	aye		
Anthony Rodríguez, Vice Chairman	aye		
Marleine Bastien	aye	Juan Carlos Bermudez	aye
Kevin Marino Cabrera	aye	Sen. René García	aye
Roberto J. Gonzalez	aye	Keon Hardemon	aye
Danielle Cohen Higgins	aye	Eileen Higgins	aye
Kionne L. McGhee	aye	Raquel A. Regalado	aye
Micky Steinberg	aye		

The Chairperson thereupon declared this resolution duly passed and adopted this 7th day of February, 2023. This resolution shall become effective upon the earlier of (1) 10 days after the date of its adoption unless vetoed by the County Mayor, and if vetoed, shall become effective only upon an override by this Board, or (2) approval by the County Mayor of this resolution and the filing of this approval with the Clerk of the Board.

MIAMI-DADE COUNTY, FLORIDA
BY ITS BOARD OF
COUNTY COMMISSIONERS

LUIS G. MONTALDO, CLERK AD INTERIM



By: Basia Pruna
Deputy Clerk

Approved by County Attorney as
to form and legal sufficiency.

Eduardo W. Gonzalez

SPECIFICATION SECTION – FLEET [A]

The Hourly Rate is based on the following Fleet and Operating Profile as represented by the Operator and the Services selected:

Aircraft Model:	AW139	Engine Model:	PT6C-67C	Effective Date:	Refer to Section I, Commercial Terms & Conditions	End Date:	Refer to Section I, Commercial Terms & Conditions
Engine S/N	Date Added (DD MMM YYYY)	TSN (hours)	TSO (hours)	Engine S/N	Date Added (DD MMM YYYY)	TSN (hours)	TSO (hours)
KB2317	12/08/2021	290	N/A	KB2316	12/08/202125	95	N/A
KB2318	12/08/202125	290	N/A	KB2319	12/08/202125	95	N/A
KB2406	12/08/202125	268	N/A				
KB2407	12/08/202125	268	N/A				
KB2356	12/08/202125	187	N/A				
KB2351	12/08/202125	187	N/A				

Mission Profile & Operating Environment	Key Maintenance Requirements & Intervals
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(a) Annual utilization per Engine: 300 Engine Operating Hours (“EOH”) +/- 5%; (b) Minimum Average Flight Length of each Engine: 13 minutes; (c) Operating Location(s): Dade County Miami, Florida (d) Type(s) of Operation: Air Medical transport, Firefighting and Training. (e) Extended Hover Use Time: Not to exceed 5% of Engine Operating Hours since new or since Overhaul as applicable	(a) Overhaul interval: 5000 EOHs (b) HSI interval: On-Condition (c) Washing per EMM for Continuously salt laden environment (d) Fuel nozzle refurbishment interval: - Four top positioned nozzles every 300 EOHs; - Full set every 600 EOH.
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Rates (2021 USD / Hr)	Buy-In
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1 st Overhaul interval Base Rate: \$210.94/ EOH LCF Rate: \$108.08/EOH “Hourly Rate” (Base Rate + LCF Rate): 1 st Overhaul interval Hourly Rate: \$319.02/EOH	Buy-In Amount: to be determined at time of aircraft delivery and enrollment.
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Services included in the Hourly Rate(s) that shall be provided to the Operator by a Designated Facility:

Basic Services (as further defined in section 3.1)

1 st Engine Overhaul Since New	On Condition Engine Hot Section Inspection (HSI)	Basic Unplanned Engine Removals (BUER) Repair
Recommended Service Bulletin (SB) Incorporation (Category 1-6)	WebECTM Software user license and ECTM Software Data Analysis by the DAC, OilAT and FAST™ System Data Management	Two-way Engine Freight
		Technical Publications (Maintenance Collection)

Optional Services (as further defined in section 3.2)

LCF Package included <input checked="" type="checkbox"/> yes <input type="checkbox"/> no Further defined in Annex G	Accessories & Parts Package included <input checked="" type="checkbox"/> yes <input type="checkbox"/> no <ul style="list-style-type: none"> Basic Unplanned Accessory Removals (BUAR) Exchange; Fuel Nozzle Scheduled Refurbishment Exchange; Parts for Routine Periodic Inspections 	Rental Engine Support Package included <input checked="" type="checkbox"/> yes <input type="checkbox"/> no <ul style="list-style-type: none"> Rental Engine Support for Services; Two-way Rental Engine
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I. COMMERCIAL TERMS & CONDITIONS

1. DEFINITIONS

Capitalized terms not otherwise defined herein shall have the meanings set forth in **Annex A**.

2. TERM

The Agreement shall begin on the date of the parties' execution, whichever is later, and shall continue in full force and effect through the last day of the nineteen-year term or until all Engines exit the Agreement, whichever occurs first (the "Term"). For clarity, each Engine shall exit the Agreement after completion of its first overhaul. Notwithstanding the foregoing, the parties agree that the Agreement shall be executed by the last of the two parties no later than December 31st, 2022, falling which this Agreement shall become automatically null and void.

The County reserves the right to exercise its option to extend this Agreement for up to one-hundred-eighty (180) calendar days beyond the current Agreement term and will notify P&WC in writing of the extension, no later than six (6) months prior to the end of the Term. This Agreement may be extended beyond the initial one hundred-eighty (180) calendar day extension period by mutual agreement between the County and P&WC, upon approval by the Board of County Commissioners.

3. SERVICES PROVIDED

3.1 BASIC SERVICES

The following Services are included in the Hourly Rate and shall be provided to the Operator by a Designated Facility:

- Engine Overhaul(s) as specified in the Specification Section*;
- Hot Section Inspection(s)*;
- Basic Unplanned Engine Removal (BUER) Repair(s)*;
**Includes Environmental Damage Repair(s), subject to documented evidence of compliance with the applicable Engine Maintenance Manual or P&WC's written recommendations, more particularly with respect to Engine washing, Engine preservation and operating environment, and subject to the exclusions of Erosion Driven Events and other exclusions specified under section 7;*
- Two-way Freight for Engines;
- Recommended Service Bulletin Incorporation: Includes only costs related to Engine Component upgrades that are accessed at time of shop visits, in accordance with the recommended Service Bulletins that have compliance codes of 1-6;
- Technical Publications: Up to ten (10) user licenses for on-line access to the Engine Maintenance collection of technical publications (Engine Maintenance Manual, diagnostic tools, parts catalog, and service bulletin updates, notifications as made available online on the P&WC portal), subject to the Operator signing P&WC's Licence Agreement defining authorized scope of use and disclosure of such material; and
- WebECTM Software user license and ECTM Software Data Analysis by the DAC, including FAST™ data management for the PT6C-67C if applicable, and subject to the Operator registering with the data analysis centre (DAC) as per section 15.0.
- Oil Analysis Technology (OilAT). Following execution of this Agreement, the Operator will be provided, at no additional cost, for each Engine covered under this Agreement, the following OilAT services per Engine maintenance manual or P&WC's recommendation interval:
 - Sampling kits (bottle, plastic bag, envelope and pre-paid label) including one-way FedEx freight label paid by P&WC;

- Advanced laboratory report including (i) high precision oil debris analysis and (ii) oil properties analysis;
- Technical guidance and consultation when applicable.

3.2 Optional Services

The following Optional Services shall be provided to the Operator by a Designated Facility, and are included in the Hourly Rate if selected by the Operator as indicated in the Specification Section:

3.2.1 LCF Package

3.2.2 Replacement LCF Components and associated limited work scope(s) if applicable, as further specified in Annex G. Accessories and Parts Package

- Basic Unplanned Accessory Removal (BUAR) Exchange: Exchange Accessory for a BUAR after the required troubleshooting is performed in accordance with section 14.4.
- Fuel Nozzle Scheduled Refurbishment Exchange: Advanced exchange fuel nozzles and required consumables at the fuel nozzle refurbishment interval stipulated in the Engine Maintenance Manual or as otherwise specified in the Specification Section.
- Parts for Routine Periodic Inspections: Engine parts and consumables required to be replaced in performing routine periodic inspections specified in the periodic inspection table of the Engine Maintenance Manual. Inspections to be performed no more than fifty (50) hours prior to the scheduled interval.

3.2.3 Rental Engine Support Package

In the event that an Engine requires removal and all of the Operator's spare engines are installed, upon request and subject to availability and the terms and conditions of its Engine Lease Agreement, P&WCL shall supply a rental engine to the Operator at i) the Hourly Rate for rental engines supporting Engines which required removal for covered Services, and ii) at the then-applicable P&WCL rental rates for other requirements.

3.3 Other Support

In addition to the Basic and Optional Services, the Operator will also benefit from the following support at no additional charge:

- a) a Contract Representative who will assist the Operator in administering the Agreement;
- b) an Event Manager who will coordinate logistics in getting an Engine serviced and who will report on the status of the Services performed;
- c) a Customer First Centre in which the Operator's profile is created and which gives the Operator priority access to field technical and logistics support;
- d) a technical support group of P&WC specialists who will handle technical issues referred to from the field which cannot be resolved on-site; and
- e) access to P&WCL's pool of rental engines which are strategically located around the world to respond to customers' needs in the event a spare engine is required. Rental engines shall be supplied subject to the execution by the Operator of an Engine Lease Agreement. AOG 24 hrs, Non-AOG 48 hrs provided that all of the required paperwork is in order.

3.4 Additional Services

The following Additional Services are not included in the Hourly Rate and shall be provided at the then-current applicable prices:

- Optional Services as defined in section 3.2 unless included in the Specification Section;
- Non Basic Unplanned Engine Removal (NBUER) Repair(s); and
- Repairs required due to a scenario specified in section 7 (Exclusions).

4. RATES AND BUY-IN

4.1 Hourly Rate. During the Term, P&WC shall supply to the Operator the Services described in sections 3.1 and 3.2 herein at the applicable Hourly Rate(s), as specified in the Specification Section herein.

4.2 Buy-in. If applicable, the Operator shall pay P&WC the buy-in amount(s) indicated in the Specification Section (the "**Buy-in**") subject to section 9.0 of the Agreement (Payment of Hourly Rate, Interest & Other Charges).

5. FLEET, MISSION PROFILE & OPERATING ENVIRONMENT

The Operator's Fleet, mission profile, operating location and type of operation shall be as indicated in the Specification Section. The Operator represents that the Engines will be operated in accordance with the requirements and limitations specified in the applicable section of the civilian aircraft flight manual excluding Above Specification Power Usage.

6. ENGINE ELIGIBILITY

Engines shall be eligible under the Agreement provided the following requirements are met:

- a) Engines have always been operated in accordance with the requirements and limitations specified in the applicable section of the civilian aircraft flight manual excluding Above Specification Power Usage.
- b) Aircraft operation and maintenance is governed and regulated by a civilian airworthiness authority and P&WC accepts the Operator's local airworthiness authority regulated maintenance program;
- c) If applicable, all prior Overhauls and Repairs shall have been performed by a facility recognized by P&WC, in accordance with P&WC's applicable Engine Maintenance Manuals, instructions and recommendations; and
- d) Notwithstanding the foregoing, P&WC may include other engines under the Agreement, at its option, subject to section 7 (Exclusions); Note: Satisfactory inspection of Engine(s), Components, and Engine documentation, including meeting a minimum Service Bulletin configuration as defined by P&WC, may be required by P&WC prior to adding engines to the Agreement.

7. EXCLUSIONS

The following are not covered by the Hourly Rate, are considered Additional Services, and are charged separately to the Operator:

- a) costs resulting from storage, usage, maintenance or operation of an Engine or Goods not in compliance with in the P&WC Engine Maintenance Manual, P&WC service bulletins or written recommendations, applicable aircraft flight manual and airworthiness regulations;
- b) Repairs attributable to damage caused by operation of the Engine in conditions not contemplated in the mission profile and operating environment section in the Specification Section;
- c) cost of Component replacement or cost of Repair directly attributable to the use of Components not originating from P&WC or from a P&WC authorized vendor, or the use of Repairs or repair schemes not approved by P&WC, including but not limited to the use of FAA-PMA parts;
- d) costs, including labor costs, related to or arising from Engine or Engine Module removals and installations;
- e) costs related to or arising from field or line removal and installation of Accessories;
- f) mobile repair team (MRT) costs unless otherwise authorized by P&WC for a covered Service;
- g) freight costs for Services not, specifically covered under the Agreement, as reflected in the Specification Section;
- h) airport fees, taxes or duties or any other similar fees, levies or charges, including third party tooling fees, hangar fees or any such related fees;
- i) costs related to or arising from Non-Basic Unplanned Engine Removals (NBUER), Erosion Driven Events, or damage to the Engine attributable to external factors including without limitation, FOD, electrical discharge damage, collisions or rotor strikes, immersion in water, dropped Engine, Module or Component, or accidents;
- j) costs associated with non-authorized alteration, modification or tampering of Engine or any part thereof;
- k) Engine or Module shop visits when said Engine or Module is removed from an aircraft solely for the Operator's convenience and not approved by P&WC; and
- l) any and all costs related to or arising from the Operator's failure to comply with the terms and conditions of the Agreement.

8. RATE ADJUSTMENTS & ANNUAL ESCALATIONS

8.1 The Hourly Rate is based on the Fleet, mission profile and operating environment, maintenance intervals, and Services selected, all as identified in the Specification Section. Any modifications to the aforementioned must be promptly reported to P&WC as this may result in an Hourly Rate adjustment and Buy-in if applicable, which shall automatically apply one month following P&WC's written notice thereof.

8.2 Failure to report any changes to P&WC within thirty (30) Business Days after changes are implemented may result in an immediate suspension of the Agreement.

8.3 The Base Rate and LCF Rate, "Hourly Rate", if applicable shall be subject to annual escalation to be applied on the 1st of January of each year and the calculation shall be made by P&WC prior to year-end in accordance with the following formula based on the US CPI Index:

$$R \times [(A-B) / B] * 100] + 3.0\% = \text{New Hourly Rate}$$

Where:

A = Average of final October to September CPI figures for the current year,

B = Average of final October to September CPI figures for the preceding year, and

R = Hourly Rate of the current year

Series ID: CUUR0000SA0

Not Seasonally Adjusted

Area: US City Average

Items: All Items

Base Period: 1982-84 = 100

If the annual escalation calculated is less than four point five percent (4.5%) then the calculated escalation, as described above, will apply. In the event that the escalation calculated is between four point five percent (4.5%) (included) and seven percent (7%) (included) in a given year, the annual escalation shall be capped at four point five percent (4.5%) for such year. Should the formula yield a percentage greater than seven percent (7%), the applicable escalation shall be four point five percent (4.5%) plus fifty percent (50%) of the excess percentage calculated that is greater than seven percent (7%).

Example:

Where the annual escalation calculated using the formula is equal to 8.0%,

$8.0\% - 7.0\% = 1.0\%$ excess percentage

Escalation for such year would be $4.5\% + [50\% \times 1.0\%] = 5.0\%$

Should the CPI index formula (e.g., $[(A-B) / B] * 100$) yield a negative percentage, the applicable calculation shall be 0%, in which case the escalation formula shall be as such:

$R \times 0\% + 3.0\% = \text{New Hourly Rate}$

9. PAYMENT OF HOURLY RATE, INTEREST & OTHER CHARGES

9.1 Reporting Hours. The Operator shall, at the end of each month, calculate the total Engine Operating Hours for each Engine and submit to P&WC, no later than the tenth (10th) Business Day of the following month, a report similar to the form set out in Annex C.

9.2 Invoicing. Upon receipt of the Operator's report of Engine Operating Hours, P&WC shall issue an invoice calculated by multiplying the total Engine Operating Hours of the Operator's Fleet for the month by the Hourly Rate. P&WC shall apply a discount of two point twenty-five (2.25%) on such invoice to account for IG and UAP fees.

9.3 Payment. P&WC may bill the County periodically, but not more than once per month, upon invoices certified by P&WC pursuant to price schedule. All invoices shall show the County's contract number, and shall have a unique invoice number assigned by P&WC. It is the policy of Miami-Dade County that payment for all purchases by County agencies shall be made in a timely manner and that interest payments be made on late payments. In accordance with Section 218.74 of the Florida Statutes, and Section 2-8.1.4 of the Code of Miami-Dade County, the time at which payment shall be due from the County shall be forty-five (45) days from receipt of a proper invoice. Payments from the

County shall be in accordance with P&WC's payment instructions listed in **Annex D**. Payments shall be considered interim pending audit of the Operator's Engine logbook by the Designated Facility.

9.4 Suspension. P&WC shall be entitled to suspend the Services in accordance with the provisions of Section 16.1, in the event that the Operator is in default of the provision set forth in this Section 9.

9.5 Buy-in Amount. If applicable, the Operator shall pay the Buy-in amount(s) within thirty (30) Business Days from the date of the invoice.

9.6 To maintain benefits of payment terms, the Operator shall supply upon P&WC's request, the latest audited financial statements and the most recent un-audited financial statements.

9.7 Interest & Other Charges. All payments due from the County that are not made within the time specified by this section shall bear interest from forty-five (45) days after the due date at the rate of one percent (1%) per month on the unpaid balance. Further, proceedings to resolve disputes for payment of obligations shall be concluded by final written decision of the County Mayor, or his or her designee(s), not later than sixty (60) days after the date on which the proper invoice was received by the County or the Public Health Trust.

9.8 Storage Fees. In the event shipment of Goods is delayed due to actions or omissions of the Operator, P&WC may at its discretion, forty-five (45) days following notification that work to be performed on the Goods is "on Hold", or fifteen (15) days following notification that work on Goods is completed, charge reasonable storage fees in accordance with P&WC's storage fee rate schedule.

10. PAYMENT OF ADDITIONAL SERVICES

10.1 It is understood between the Parties that Additional Services shall not be performed by the Designated Facility without having first obtained the Operator's approval. For Repairs related to Additional Services, a cost estimate shall be supplied to the Operator together with the Engine summary condition report for approval.

10.2 Subject to P&WC's approval of the Operator's credit, payment for any work performed in connection with Additional Services is due from the Operator within forty-five (45) Days from the date of a proper invoice up to a maximum global credit limit to be approved by P&WC. Payment is to be made by wire transfer in accordance with the instructions set out in **Annex D**.

11. DELIVERY

11.1 Inbound and outbound shipments terms shall be in accordance with **Annex F**.

11.2 Engine Freight for Services. As part of the Hourly Rate, P&WC shall cover reasonable two-way freight charges for Engines (excluding insurance, taxes, duties, brokerage fees, tariffs or any other similar fees, levies, or other charges as applicable) between an international airport or other location acceptable to P&WC and the Designated Facility.

11.3 Rental Engine Freight Charges.

11.3.1 Where the Rental Engine Support Package is selected by the Operator, P&WC shall cover reasonable two-way freight for Rental Engines in support of Services (excluding insurance, taxes, duties, brokerage fees, tariffs or any other similar fees, levies, or other charges as applicable) between an international airport or other location acceptable to P&WCL and the Designated Facility.

11.3.2 Where the Rental Engine Support Package is not selected by the Operator, the Operator agrees to reimburse P&WCL for freight charges incurred by P&WCL to transport the Leased Engine to Operator's facility or international airport as applicable. Freight Charges including taxes, duties, brokerage fees, tariffs or any other similar fees, levies, or charges as applicable shall be invoiced to the Operator by P&WCL and be payable in accordance with section 9.3 Payment.

11.4 The Operator shall request shipping instructions and/or delivery details for the Engines and Rental Engines from P&WC or P&WCL as applicable before shipping any Engine or Rental Engine to the Designated Facility, including carrier, priority, date and waybill number.

12. RENTAL ENGINE

In the event the Operator requires a rental engine in support of Services and/or Additional Services to be provided hereunder and the Operator has not opted for the Rental Engine Support Package as specified on the Specification Section herein, P&WCL shall, subject to rental engine availability and the execution of P&WCL's standard Lease Agreement attached hereto as Annex H, supply a rental engine to the Operator at the then applicable published rates.

II. STANDARD TERMS & CONDITIONS

13. COMPONENT REPLACEMENT

Upon embodiment of new, used or exchange Components into an Engine, the Parties agree that the newly embodied Component shall become the property of the Operator, and the removed Component shall become the property of P&WC.

14. OPERATOR'S RESPONSIBILITIES

14.1 Engine Shop Visits. For the performance of the Services, the Operator must first obtain confirmation of the Designated Facility from P&WC otherwise costs for such Services shall not be covered by the Agreement but shall be borne exclusively by the Operator.

14.2 Engine Data. At the time of each shop visit, the Operator shall supply to P&WC the following information (as applicable) for the Engine, Modules, Components and Accessories listed in Annex B:

- Time Since New (TSN);
- Time Since Repair (TSR);
- Time Since Overhaul (TSO);
- Time Since Hot Section Inspection (TSHSI);
- Reasons for Removal;
- Engine or Engine Module Logbook;
- LCF Component Cycles; and
- DCU or data contained in the DCU or any similar Engine monitoring device.

14.3 Engine condition and information. The Operator shall assess the Engine's health and condition and shall immediately report to P&WC any shift in performance or any deterioration in the hardware. The Operator shall provide P&WC with immediate access to the Engines, including any removed Components, its quality system, Engine logbooks, in-flight data (DAC data), and any other relevant operating and maintenance records and information maintained by the Operator.

14.4 Troubleshooting. When the Operator believes an Engine or Accessory needs to be removed for an unplanned Repair or for HSI, the Operator shall first perform the recommended troubleshooting specified in the applicable maintenance manuals and if unsuccessful, must advise P&WC prior to

Engine removal. Accessories may be removed without advising P&WC provided that the recommended troubleshooting process was completed. In either case, the troubleshooting performed shall be clearly documented and made available to P&WC upon request.

14.5 Request for Services. The Operator shall be responsible for placing orders for Services within the required lead times as defined by P&WC or the applicable Designated Facility, and if applicable shall comply with the associated core return requirements.

14.6 Damaged/Lost Engine. The Operator must immediately report to P&WC an Engine that is stolen, lost or is damaged by accident or otherwise.

15. DAC SERVICES

15.1 The Operator shall immediately register with the data analysis center (“DAC”).

15.2 It is understood and agreed that the DAC’s relationship to P&WC is that of an independent contractor and that neither this Agreement nor the services to be rendered by the DAC for the Operator shall for any purpose whatsoever or in any way or manner create a legal relationship between P&WC and the DAC. The Operator acknowledges that P&WC is not the manufacturer of the WebECTM Software or a supplier in any way of the DAC services. It is the Operator’s responsibility to determine the suitability of the DAC services for Operator’s purposes.

15.3 P&WC SHALL NOT BE LIABLE OR RESPONSIBLE FOR ANY ANALYSIS, INTERPRETATION OR APPLICATION OF ANY INFORMATION OR DATA PROVIDED BY THE DAC NOR SHALL IT BE LIABLE FOR ANY ERRORS IN OR OMISSIONS IN THE DATA OR REPORTS FURNISHED TO OPERATOR BY THE DAC AS A RESULT OF THE DAC SERVICES. P&WC MAKES NO WARRANTIES, GUARANTEES, OR REPRESENTATIONS OF ANY KIND WHATSOEVER THAT THE DAC SERVICES ALLOW THE OPERATOR OF AN AIRCRAFT TO DETERMINE THE AIRWORTHINESS OF SUCH AIRCRAFT. THE OPERATOR IS SOLELY RESPONSIBLE FOR DETERMINING THE AIRWORTHINESS OF THE AIRCRAFT, AT ALL TIMES, IN ACCORDANCE WITH ALL APPLICABLE REQUIREMENTS, INCLUDING WITHOUT LIMITATION, FROM THE MANUFACTURER(S) AND ALL RELEVANT REGULATORY AUTHORITIES. THE OPERATOR HEREBY IRREVOCABLY WAIVES AND RELEASES P&WC FROM ANY AND ALL LIABILITY IN CONNECTION WITH THE DAC SERVICES, INCLUDING WITHOUT LIMITATION ANY INDIRECT, SPECIAL, INCIDENTAL, CONSEQUENTIAL, EXEMPLARY, AND PUNITIVE OR OTHER SIMILAR DAMAGES.

16. TERMINATION

16.1 Default. Except as otherwise provided for in the Agreement, in the event that a Party is in default of any provision of the Agreement and remains in default for a period of thirty (30) calendar days after receipt of written notice thereof from the other, then:

16.1.1 if the Operator is in default, P&WC may, without prejudice to any rights and remedies otherwise provided under the Agreement or by law, (i) immediately suspend the Services from the date of the written notice of default, or (ii) terminate the Agreement thirty (30) calendar days following the expiration of the aforementioned thirty (30) calendar days .

16.1.2 if P&WC is in default, the Operator may terminate the Agreement thirty (30) calendar days following the expiration of the aforementioned thirty (30) calendar days.

16.2 Material Adverse Event. Where an event occurs or fails to occur that may have a material influence upon the Operator’s financial condition and ability to perform its obligations under the Agreement (“Material Adverse Effect”), P&WC shall have the right upon forty-five (45) Business Days written notice to the Operator and reasonable opportunity to remedy to the default, to suspend the

Services. The Operator shall notify P&WC of any Material Adverse Effect within thirty (30) Business Days of its occurrence. The Operator shall supply to P&WC the Operator's latest Annual Report. If P&WC determines in good faith that the Operator's financial situation has deteriorated to the point to where it has impaired the Operator's ability to remain current in its obligations under the Agreement, then P&WC may, at its sole discretion, upon written notice, terminate the Agreement.

16.3 Termination for Bankruptcy. Either Party may declare the Agreement terminated at any time by written notice to the other if:

- 16.3.1** the other Party becomes bankrupt or insolvent or takes the benefit of any act now or hereafter in force for bankrupt or insolvent debtors or files any proposal or makes any assignment for the benefit of creditors or any arrangement or compromise; or
- 16.3.2** a receiver, a receiver and a manager, trustee or custodian is appointed for all or a portion of the other Party's property or a substantial part of the other Party's property; or
- 16.3.3** any steps are taken or any action or proceedings are instituted by the other Party or by any other party including, without limitation any court or governmental body of competent jurisdiction, for the dissolution, winding-up, or liquidation of the other Party or its assets.

17. ACCOUNT RESERVES

17.1 P&WC shall, within thirty (30) Business Days of an Engine exiting the Agreement before the end of the Term (an "Early Exit") or expiration or termination of the Agreement, provide the Operator the maintenance reserve balance as defined below for each applicable Engine as a credit to the Operator's account with P&WC.

17.2 The Maintenance Reserve Balance for each Engine shall be the Base Rate Reserve as defined below, plus, as applicable, the LCF Rate Reserve as defined below:

17.2.1 Base Rate Reserve:

For Engines where at least one (1) Overhaul was performed during the Term:

The aggregate amount of Base Rate payments* made since the last Overhaul *multiplied by* the Base Rate Reserve Ratio

For Engines where no Overhaul was performed during the Term:

85% of the aggregate amount of Base Rate payments* made since the Effective Date (including the Base Rate portion of the Buy-in if applicable) *multiplied by* the Base Rate Reserve Ratio

Where the Base Rate Reserve Ratio is:

75% if the Accessories & Parts Package is not indicated as included in the Specification Section; *or*

65% if the Accessories & Parts Package is indicated as included in the Specification Section

17.2.2 LCF Rate Reserve (if applicable):

The LCF Rate Reserve per Engine shall be calculated as the sum of the following as applicable:

For an incomplete LCF Term:

The aggregate amount of LCF Rate payments* received from the Operator during the LCF Term less the aggregate amount of all LCF Services provided during the LCF Term with new Components valued at the applicable discounted prices at the time the LCF Services are provided. The applicable LCF Discount is specified in Annex G herein.

For a completed LCF Term:

The sum, for each instance of an LCF Item included in the LCF Rate and not provided during the LCF Term, of:

The aggregate amount of LCF Rate payments* received from the Operator during the LCF Term multiplied by the respective "% of LCF Rate per Unit of LCF Item" as stated in the table in Annex G.

*For clarity, the IG and UAP fees shall not be considered as payments during the calculation of the Maintenance Reserve Balance.

17.3 In the event that the Engine Maintenance Reserve Balance is negative the Operator shall, within thirty (30) Business Days of Engine Early Exit or expiry or termination of the Agreement, pay 100% of the negative amount to P&WC.

17.4 In event that the Operator no longer operates P&WC engines P&WC shall, at the request of the Operator, within sixty (60) Business Days of Engine Early Exit, or expiry or termination of the Agreement, reimburse 75% of the Maintenance Reserve Balance.

18. TAXES, DUTIES & OTHER CHARGES

The Operator is responsible for all taxes (excluding taxes based on P&WC's net income), duties, fees and other charges of any nature whatsoever, including interest and penalties thereon, arising from the sale, delivery or use of the Goods or from the provision of Services, and will reimburse P&WC for any such charges P&WC may be required to pay directly to a governmental authority or to the Designated Facility which performs any of the Services.

19. FORCE MAJEURE

P&WC shall not be responsible for any failure or delay in performance resulting from causes which (i) are beyond P&WC's reasonable control; (ii) occurred without fault or negligence of P&WC; (iii) could not have been reasonably foreseen; or (iv) could not have been prevented by means reasonably available to P&WC. These causes may include but are not limited to events such as acts of government, court order, civil unrest, sabotage, labor action, epidemics, quarantine restrictions, and adverse weather conditions. The time for delivery will be extended accordingly.

20. WARRANTY

20.1 The Operator hereby assigns to P&WC during the Term:

- (i) any and all rights and remedies contained in the warranty for new Engines and the extended service policy applicable to the Goods ("**OEM Warranty**"); and
- (ii) any and all rights and remedies contained in the P&WC repair warranty attached hereto as Annex E for Services and/or Additional Services ("**Repair Warranty**", together with the OEM Warranty, the "**Warranty**").

P&WC will, during the Term and to the extent applicable, manage the rights under the Warranty on behalf of the Operator.

Upon termination of this Agreement, the time remaining, if any, on the applicable Warranty will resume and benefit the Operator. Notwithstanding the foregoing, the Operator shall comply at all times during the Term, with the terms and conditions of the Warranty.

20.2 The warranty described herein is the only warranty provided by designated facility and is given and accepted in place of all other express, implied or statutory warranties, terms, representations, or conditions, in contract, tort or strict liability, including without limitation, any warranty or condition of merchantability or fitness for a particular purpose or noninfringement and all such other warranties, terms, representations, or conditions are hereby expressly disclaimed. The only remedy for breach of this warranty is as set out in annex e (warranty)-

21. PATENT INDEMNITY

In the event that any claim is brought against the Operator alleging that, without further combination, (i) the goods and services provided by P&WC hereunder (the "deliverables"), or (ii) the use or resale of a deliverable made by or under P&WC's control and in accordance with a specification or design provided by P&WC, directly infringes any third party's registered Canadian or U.S. patent (hereinafter "claim"), P&WC shall, at its own expense, either (i) settle such claim, or (ii) conduct the entire defense including pay all related damages and costs (including reasonable attorney fees) awarded to the third party in a non-appealable judgment, excluding (a) any special, indirect, incidental or consequential damage or any damage such as economic loss or loss of profits resulting from any loss of use of the deliverable or its parts or of the aircraft in which the deliverables may be incorporated, or (b) any exemplary, punitive or other similar damages not attributable to the acts of P&WC. If the use or resale of deliverables is finally enjoined, P&WC shall, at P&WC's option and expense, (1) procure the right to use or sell the deliverables, or (2) replace the deliverables with non-infringing equivalents, or (3) modify the deliverables so they become non-infringing, but equivalent, or (4) remove such deliverables and refund the purchase price (less a reasonable allowance for use, damage or obsolescence) or, in the case the deliverables are services, stop performing the services. If determined by P&WC to be necessary to avoid any claim or to mitigate any damages which may arise for any potential or actual patent infringement, P&WC may, at P&WC's option and expense, take any or all of the actions in section 21 (1), (2), (3) or (4). This provision is applicable only if (i) the deliverables involved in the claim must have been provided hereunder; (ii) the Operator gives P&WC immediate notice in writing of the claim, all information, opportunity and authority to assume the entire defense thereof; and (iii) the Operator gives P&WC all reasonable assistance and will not by any act or omission do anything that may directly or indirectly prejudice P&WC in its ability to assume the entire defense thereof or settlement of such claim. This provision shall not apply to the Operator, and the Operator shall indemnify and hold P&WC harmless to the extent any claim arises as a result of (w) deliverables provided to the specific instructions of the Operator; (x) items furnished by the Operator; (y) the use or sale of deliverables repaired or exchanged other than in accordance with the maintenance manual, or (z) the use or sale of deliverables provided hereunder in combination with other goods, parts, components or services not delivered to the Operator by P&WC. Notwithstanding anything to the contrary herein, the indemnification for patent infringement stated in this article 21 is given by P&WC and accepted by the Operator in place of all other express, implied or statutory terms, warranties or conditions, and all such other terms, representations, warranties or conditions are hereby expressly disclaimed. The only remedy for patent infringement is as set out herein.

22. INDEMNIFICATION

22.1 The Contractor shall indemnify and hold harmless the County and its officers, employees and agents from any and all liability, losses or damages, including attorneys' fees and costs of defense, which the County or its officers, employees or agents may incur as a result of claims, demands, suits, causes of actions or proceedings of any kind or nature made by a third party to the extent arising out of, relating to or resulting from the performance of this Agreement by the Contractor or its employees, agents, subcontractors. Subject to Section 23, the Contractor shall pay all claims, all costs, judgments, and attorney's fees which may issue thereon **to the extent awarded to the third party in a non-appealable judgment from a court of authority.** The Contractor expressly understands and agrees that any insurance protection required by this Agreement or otherwise provided by the Contractor shall in no way

limit, or expand, the responsibility to indemnify, keep and save harmless and defend the County or its officers, employees and agents as herein provided.

23. LIMITATION OF LIABILITY

23.1 IN NO EVENT SHALL DESIGNATED FACILITY OR ANY MEMBER OF THE P&WC GROUP BE RESPONSIBLE FOR ANY INDIRECT, SPECIAL, INCIDENTAL OR CONSEQUENTIAL DAMAGES ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT. INDIRECT, SPECIAL, INCIDENTAL OR CONSEQUENTIAL DAMAGES INCLUDE, WITHOUT LIMITATION, ECONOMIC LOSS, LOSS OR DAMAGE TO ANY PROPERTY OR PERSON OR ANY OTHER EXEMPLARY, PUNITIVE OR SIMILAR DAMAGES, AS WELL AS EXPENSES INCURRED EXTERNAL TO THE ENGINE AS A RESULT OF AN ENGINE, ENGINE PART OR PART DEFECT.

23.2 The Parties agree that the liability of the Designated Facility or a member of the P&WC Group shall not exceed the aggregate of the price of the Services and/or Additional Services provided for the applicable Engine, as calculated using the then-applicable prices, except in the case of gross negligence or willful misconduct of the Designated Facility.

24. EXPORT CONTROLS

Performance under the Agreement is subject to the receipt of any necessary governmental license, permit or similar authorization or approval under all applicable laws.

25. DISPUTE RESOLUTION

- a) P&WC must seek to resolve every difference concerning the Agreement with the County's Project Manager. In the event that P&WC and the Project Manager are unable to resolve their difference, P&WC may initiate a dispute in accordance with the procedures set forth in this Article. Exhaustion of these procedures shall be a condition precedent to any lawsuit permitted hereunder.
- b) In the event of such dispute, the parties to this Agreement authorize the County Mayor or designee, who may not be the Project Manager or anyone associated with this Project, acting personally, to decide all questions arising out of, under, or in connection with, or in any way related to or on account of the Agreement (including but not limited to claims in the nature of breach of contract, fraud or misrepresentation arising either before or subsequent to execution hereof) and the decision of each with respect to matters within the County Mayor's purview as set forth above shall be binding on parties, but with appeal or further challenging procedures before court having jurisdiction having suspensive effect. Any such dispute shall be brought, if at all, before the County Mayor within 10 days following the unsuccessful resolution of the difference between P&WC and the Project Manager or the occurrence, event or act out of which the dispute arises.
- c) The County Mayor shall act as an independent arbitrator and may base this decision on such assistance as may be desirable, including advice of experts, but in any event shall base the decision on an independent and objective determination of whether P&WC's or Operator's performance or any Deliverable meets the requirements of this Agreement and any specifications with respect thereto set forth herein. The involvement of the County Mayor and of the procedures described in this Article shall be terminated by any negotiations or settlements or offers made and agreed upon between the parties in connection with the dispute, whether or not the County Mayor participated therein. All such disputes shall be submitted in writing by P&WC or the Operator to the County Mayor for a decision, together with all evidence and other pertinent information in regard to such questions, in order that a fair and impartial decision may be made. Whenever the County Mayor is entitled to exercise discretion or judgement or to make a determination or form an opinion pursuant to the provisions of this Article, such action shall be fair and impartial when exercised or taken. The County Mayor, as appropriate, shall render a decision in writing and deliver a copy of the same to P&WC and the Operator within 20 days after having being seized.

Except as such remedies may be limited or waived elsewhere in the Agreement, P&WC reserves the right to pursue any remedies available under law after exhausting the provisions of this Article.

26. GOVERNING LAW

This Contract, including appendices, and all matters relating to this Contract (whether in contract, statute, tort (such as negligence), or otherwise) shall be governed by, and construed in accordance with, the laws of the State of Florida. Venue shall be Miami-Dade County.

27. ENTIRE AGREEMENT

The Agreement constitutes the entire agreement between the Parties in relation to the subject matter hereof and supersedes all prior understandings and agreements, whether oral or in writing. Any amendment must be in writing signed by duly authorized representatives of both Parties. Purchase orders or any other documents issued by both Parties in connection with the Agreement are deemed to incorporate the terms and conditions contained herein, to the exclusion of the Operator's purchase order terms and all other terms of conditions and documents issued by both Parties.

28. GENERAL TERMS

28.1 All notices required to be given pursuant to the Agreement shall be in writing and shall be considered as duly delivered when sent by registered mail to the other Party at the address stated on the face page of the Agreement or such other address as either Party shall advise the other in writing.

28.2 The Agreement shall be binding upon and inure to the benefit of the Parties hereto, their successors and permitted assigns.

28.3 The Operator nor P&WC may assign the Agreement in whole or in part without the prior written consent of the other Party. Any assignment without written consent of the Parties shall be void and of no effect. Notwithstanding the foregoing, P&WC may assign the Agreement to any entity of the P&WC Group without the consent of the Operator.

28.4 Transfer of Engines and Benefits. Upon written request from the Operator, P&WC may agree to transfer Engines, including all accrued benefits with respect to the transferred Engines as provided under this Agreement, to a separate P&WC pay per hour agreement with a third party (i.e. another operator or a lessor).

28.5 No concession, latitude or forbearance by a Party shall constitute a waiver or prevent such party from enforcing its rights.

29. INSURANCE CERTIFICATES

Upon County's notification, P&WC shall furnish to the Internal Services Department, Strategic Procurement Division, Certificates of Insurance that indicate that insurance coverage has been obtained, which meets the requirements as outlined below:

- a. Worker's Compensation Insurance for all employees of P&WC as required by Florida Statute 440.
- b. Aviation General Liability in an amount not less than \$2,000,000 per occurrence, and \$4,000,000 in the aggregate. Policy must be endorsed to include coverage for Products & Completed Operations. **Miami-Dade County must be shown as an additional insured with respect to this coverage.**
- c. Automobile Liability Insurance covering all owned, non-owned, and hired vehicles used in connection with the Services, in an amount not less than \$300,000 combined single limit per

occurrence for bodily injury and property damage.

- d. Professional Liability Insurance in an amount not less than \$2,000,000 per claim.
- e. Hangar Keepers Legal Liability Insurance in an amount not less than the full replacement cost of all County Aircraft in the care, custody and control of the bidder at any one time.
- f. Cargo Insurance in an amount not less than the full replacement cost of all parts and equipment in transit.

***Excess/Umbrella Liability may be used to supplement minimum liability coverage requirements. Follow form basis is required if providing Excess Liability.**

All insurance policies required above shall be issued by companies authorized to do business under the laws of the State of Florida, with the following qualifications:

The company must be rated no less than "A-" as to management, and no less than "Class VII" as to financial strength by A.M. Best Company, Oldwick, New Jersey, or its equivalent, subject to the approval of the County Risk Management Division.

OR

The company must hold a valid Florida Certificate of Authority as shown in the latest "List of All Insurance Companies Authorized or Approved to Do Business in Florida", issued by the State of Florida Department of Financial Services.

The mailing address of Miami-Dade County as the certificate holder must appear on the certificate of insurance as follows:

Miami-Dade County

111 N.W. 1st Street

Suite 1300

Miami, Florida 33128-1974

Compliance with the foregoing requirements shall not relieve P&WC of this liability and obligation under this section or under any other section in this Agreement.

Award of this Agreement is contingent upon the receipt of the insurance documents, as required, within ten (10) Business Days. If the insurance certificate is received within the specified timeframe but not in the manner prescribed in this Agreement, P&WC shall have an additional five (5) Business Days to submit a corrected certificate to the County. If P&WC fails to submit the required insurance documents in the manner prescribed in this Agreement within fifteen (15) Business Days, P&WC shall be in default of the contractual terms and conditions and award of the Contract may be rescinded, unless such timeframe for submission has been extended by the County.

P&WC shall assure that the Certificates of Insurance required in conjunction with this Section remain in full force for the term of the Contract, including any renewal or extension periods that may be exercised by the County. If the Certificate(s) of Insurance is scheduled to expire during the term of the Contract, P&WC shall submit new or renewed Certificate(s) of Insurance to the County a minimum of ten (10) calendar days before such expiration. In the event that expired Certificates of Insurance are not replaced or renewed to cover the Contract period, the County may suspend the Contract until the new or renewed certificates are received by the County in the manner prescribed herein. If such suspension exceeds

thirty (30) calendar days, the County may, at its sole discretion, terminate the Contract for cause and P&WC shall be responsible for all direct and indirect costs associated with such termination.

30. AUDITS

The County, or its duly authorized representatives and governmental agencies, shall until the expiration of three (3) years after the expiration of this Agreement and any extension thereof, have access to and the right to examine and reproduce any of the Contractor's existing and relevant books, documents, papers and records which apply to all matters of the County, excluding any document revealing papers and records of its subcontractors and suppliers, financial information, cost allocation and cost data proprietary to the Contractor related to this Agreement (the "**Records**").

Pursuant to Section 2-481 of the Code of Miami-Dade County, the Contractor will grant access to the Commission Auditor to all property, and equipment purchased in whole or in part with government funds. The Contractor agrees to maintain the Records for the duration prescribed in this clause 31.

The County warrants and represents that the limitations to audit rights provided in this Agreement are unenforceable against the County and any authority or organization that could be in charge of conducting audits on behalf of the County.

31. VENDOR REGISTRATION/CONFLICT OF INTEREST

a) Vendor Registration

P&WC shall be a registered vendor with the County – Internal Services Department, Strategic Procurement Division, for the duration of this Agreement. In becoming a registered vendor with Miami-Dade County, P&WC confirms its knowledge of and commitment to comply with the County's vendor registration requirements.

b) Conflict of Interest and Code of Ethics

Section 2-11.1(d) of the Code of Miami-Dade County requires that any County employee or any member of the employee's immediate family who has a controlling financial interest, direct or indirect, with Miami-Dade County or any person or agency acting for Miami-Dade County, competing or applying for a contract, must first request a conflict of interest opinion from the County's Ethics Commission prior to their or their immediate family member's entering into any contract or transacting any business through a firm, corporation, partnership or business entity in which the employee or any member of the employee's immediate family has a controlling financial interest, direct or indirect, with Miami-Dade County or any person or agency acting for Miami-Dade County. Any such contract or business engagement entered in violation of this subsection, as amended, shall be rendered voidable. All autonomous personnel, quasi-judicial personnel and advisory personnel working for the County, and County employees wishing to do business with the County are hereby advised they must comply with the applicable provisions of Section 2-11.1 of the Code of Miami-Dade County relating to Conflict of Interest and Code of Ethics. In accordance with Section 2-11.1 (y), the Miami-Dade County Commission on Ethics and Public Trust (Ethics Commission) shall be empowered to review, interpret, render advisory opinions and letters of instruction and enforce the Conflict of Interest and Code of Ethics Ordinance.

32. INSPECTOR GENERAL REVIEWS

Independent Private Sector Inspector General Reviews

Pursuant to Miami-Dade County Administrative Order 3-20, the County has the right to retain the services of an Independent Private Sector Inspector General (hereinafter "IPSIG"), whenever the County deems it appropriate to do so. Upon written notice from the County and under the terms and conditions of Section 31 of this Agreement, the Contractor shall make available to the IPSIG retained by the County, all requested Records for inspection and reproduction. The County shall be responsible for the payment of these IPSIG services, and under no circumstance shall the Contractor's prices and any changes thereto approved by the County, be inclusive of any charges relating to these IPSIG services. The terms of this provision apply to the Contractor, its officers, agents, employees. Nothing contained in this provision shall impair any independent right of the County to conduct an audit or investigate the operations, activities and performance of the Contractor in connection with this Agreement and under the terms and conditions of Section 31 of this Agreement. The terms of this Article shall not impose any liability on the County by the Contractor or any third party.

Miami-Dade County Inspector General Review

According to Section 2-1076 of the Code of Miami-Dade County, Miami-Dade County has established the Office of the Inspector General which may, on a random basis, perform audits on all County contracts, throughout the duration of said contracts. Such audit of the Agreement shall be done under the terms and conditions of Section 31 of this Agreement. The cost of the audit for this Contract shall be one quarter (1/4) of one (1) percent of the total contract amount which cost shall be included in the total contract amount. The audit cost will be deducted by the County from progress payments to the Contractor. The audit cost shall also be included in all change orders and all contract renewals and extensions.

Exception: The above application of one quarter (1/4) of one percent fee assessment shall not apply to the following contracts: (a) IPSIG contracts; (b) contracts for legal services; (c) contracts for financial advisory services; (d) auditing contracts; (e) facility rentals and lease agreements; (f) concessions and other rental agreements; (g) insurance contracts; (h) revenue-generating contracts; (i) contracts where an IPSIG is assigned at the time the contract is approved by the Commission; (j) professional service agreements under \$1,000; (k) management agreements; (l) small purchase orders as defined in Miami-Dade County Implementing Order 3-38; (m) federal, state and local government-funded grants; and (n) interlocal agreements. ***Notwithstanding the foregoing, the Miami-Dade County Board of County Commissioners may authorize the inclusion of the fee assessment of one quarter (1/4) of one percent in any exempted contract at the time of award.***

Nothing contained above shall in any way limit the powers of the Inspector General to perform audits of the Records on all County contracts including, but not limited to, those contracts specifically exempted above, under the terms and conditions of Section 31 of this Agreement. The Miami-Dade County Inspector General is authorized and empowered to review past, present and proposed County and Public Health Trust contracts, transactions, accounts, records and programs. In addition, the Inspector General has the power to subpoena witnesses, administer oaths, require the production of the Records and monitor existing projects and programs. Monitoring of an existing project or program may include a report concerning whether the project is on time, within budget and in conformance with plans, specifications and applicable law. The Inspector General is empowered to analyze the necessity of and reasonableness of proposed change orders to the Contract. The Inspector General shall have the power to audit, investigate, monitor, oversee, inspect and review the Record, operations, activities and performance of the Contractor, County staff and elected officials to ensure compliance with contract specifications and to detect fraud and corruption.

Upon written notice to the Contractor from the Inspector General or IPSIG retained by the Inspector General, the Contractor shall make all requested Records available to the Inspector General or IPSIG for inspection and copying. The Inspector General and IPSIG shall have the right to inspect and copy all Records in the Contractor's possession, custody or control which pertain to performance of the contract.

The provision of any documents other than the Records shall be subject to (i) written request from the County, and (ii) Contractor's prior written approval.

33. COUNTY USER ACCESS PROGRAM (UAP)

a) User Access Fee

Pursuant to Section 2-8.10 of the Code of Miami-Dade County, this Contract is subject to a user access fee under the County User Access Program (UAP) in the amount of two percent (2%). All sales resulting from this Contract, or any contract resulting from the solicitation referenced on the first page of this Contract, and the utilization of the County Contract price and the terms and conditions identified herein, are subject to the two percent (2%) UAP. This fee applies to all Contract usage whether by County Departments or by any other governmental, quasi-governmental or not-for-profit entity.

P&WC providing goods or services under this Contract shall invoice the Contract price and shall accept as payment thereof the Contract price less the 2% UAP as full and complete payment for the goods and/or services specified on the invoice. The County shall retain the 2% UAP for use by the County to help defray the cost of the procurement program. P&WC participation in this invoice reduction portion of the UAP is mandatory.

b) Joint Purchase

Subject to P&WC's prior written approval, only those entities that have been approved by the County for participation in the County's Joint Purchase and Entity Revenue Sharing Agreement are eligible to utilize or receive County Contract pricing and terms and conditions. The County will provide to approved entities a UAP Participant Validation Number. P&WC must obtain the participation number from the entity prior to filling any order placed pursuant to this Section. P&WC participation in this joint purchase portion of the UAP, however, is voluntary. P&WC shall notify the ordering entity, in writing, within three (3) Business Days of receipt of an order, of a decision to decline the order. For all ordering entities located outside the geographical boundaries of Miami-Dade County, the Contractor shall be entitled to ship goods on an "FOB Destination, Prepaid and Charged Back" basis. This allowance shall only be made when expressly authorized by a representative of the ordering entity prior to shipping the goods.

The County shall have no liability to P&WC for the cost of any purchase made by an ordering entity under the UAP and shall not be deemed to be a party thereto. All orders shall be placed directly by the ordering entity with P&WC and shall be paid by the ordering entity less the 2% UAP.

c) P&WC Compliance

If P&WC fails to comply with this Article, P&WC may be considered in default by the County.

34. PUBLIC RECORDS AND CONTRACTS FOR SERVICES PERFORMED ON BEHALF OF MIAMI-DADE COUNTY

P&WC shall comply with the Public Records Laws of the State of Florida, including by not limited to, (1) keeping and maintaining all public records that ordinarily and necessarily would be required by the County in order to perform the service; (2) providing the public with access to public records on the same terms and conditions that the County would provide the records and at a cost that does not exceed the cost provided in Chapter 119, F.S., or as otherwise provided by law; (3) ensuring that public records that are exempt or confidential and exempt from public records disclosure requirements are not disclosed except as authorized by law; and (4) meeting all requirements for retaining public records and transferring, at no cost, to the County all public records in possession of P&WC upon termination of the contract and destroying any duplicate public records that are exempt or confidential and exempt from public records disclosure requirements upon such transfer. In addition, all records stored electronically must be provided to the County in a format that is compatible with the information technology systems of the County. Failure to meet any of these provisions or to comply with Florida's Public Records Laws as applicable shall be a material breach of this Agreement and shall be enforced in accordance with the terms and conditions of the Agreement.

IF P&WC HAS QUESTIONS REGARDING THE APPLICATION OF CHAPTER 119, FLORIDA STATUTES, TO P&WC'S DUTY TO PROVIDE PUBLIC RECORDS RELATING TO THIS CONTRACT, CONTACT THE CUSTODIAN OF PUBLIC RECORDS AT (305) 375-5773, ISD-VSS@MIAMIDADE.GOV, 111 NW 1st STREET, SUITE 1300, MIAMI, FLORIDA 33128

35. VERIFICATION OF EMPLOYMENT ELIGIBILITY

By entering into this Contract, and to the extent P&WC hires U.S. based employees, P&WC becomes obligated to comply with the provisions of Section 448.095 of the Florida Statutes, titled "Verification of Employment Eligibility". This includes but is not limited to utilization of the U.S. Department of Homeland Security's E-Verify System to verify the employment eligibility of all U.S. based newly hired employees by P&WC effective January 1, 2021.

P&WC also agrees to require its subcontractors to abide by all applicable rules and regulations, including, as appropriate, any regulations pertaining to the employment of foreign individuals in the United States.

If this Contract is terminated for a violation of the statute by P&WC, P&WC may not be awarded a public contract for a period of one year after the date of termination. Public and private employers must enroll in the E-Verify System (<http://www.uscis.gov/e-verify>) and retain the I-9 Forms for inspection.

36. FIRST SOURCE HIRING REFERRAL PROGRAM

36.1. Pursuant to Section 2-2113 of the Code, for all contracts for goods and services, P&WC, prior to hiring to fill each vacancy arising under a County contract shall (1) first notify Career Source South Florida ("CSSF"), the designated Referral Agency, of the vacancy and list the vacancy with CSSF according to the Code, and (2) make good faith efforts as determined by the County to fill a minimum of fifty percent (50%) of its employment needs under the County contract through the CSSF. If no suitable candidates can be employed after a Referral Period of three to five days, P&WC is free to fill its vacancies from other sources. P&WC will be required to provide quarterly reports to the CSSF indicating the name and number of employees hired in the previous quarter, or why referred candidates were rejected. Sanctions for non-compliance shall include, but not be limited to: (i) suspension of Contract until P&WC performs obligations, if appropriate; (ii) default and/or termination; and (iii) payment of \$1,500/employee, or the value of the wages that would have been earned given the noncompliance, whichever is less. Registration procedures and additional information regarding the First Source Hiring Referral Program are available at <https://iapps.careersourcesfl.com/firstsource/>.

36.2. Notwithstanding the foregoing, the Parties agree that the requirements set forth in Section 37.1

above, including the provision of quarterly reports, shall be applicable only to the extent that P&WC hires new employees based in Florida, and working solely on this Contract.

ANNEX A – DEFINITIONS

In the Agreement:

“Above Specification Power Usage” means usage of Engine(s) when operating the aircraft beyond the limitations set out in the rotorcraft flight manual performance section with respect to the: (i) Weight-Altitude-Temperature (WAT) and (ii) hover charts, both of which, are applicable to a minimum specification engine, being an engine that exhibits the lowest thresholds or minimum levels of performance margins under which the Engine remains airworthy;

“Accessory” means the Accessories listed in **Annex B** attached hereto;

“Additional Services” means the services described in section 3.4 of the Agreement. These are not included in the Hourly Rate;

“BUAR” means Basic Unplanned Accessory Removal. It is the premature removal of an Accessory due to an Accessory and/or Engine induced malfunction. Removal of an Accessory due to a problem which could have been rectified using troubleshooting and/or corrective line maintenance actions is not considered a BUAR;

“BUER” means Basic Unplanned Engine Removal. It is the premature removal of an Engine, Engine Module or Component due to an Engine induced malfunction. Premature removals due to the failure of the Operator to use and maintain the Engine as per the recommendations and instructions defined in the aircraft manual or Engine maintenance manual are not considered BUER. Likewise, premature removals due to hot or cold section deterioration which is detectable through the WebECTM Software and which could have been rectified as per the Engine maintenance manuals using troubleshooting and/or corrective line maintenance actions, is not considered a BUER;

“Component(s)” means a genuine P&WC part necessary for the operation of the Engine, and normally supplied by P&WC as part of the Engine build specification unless otherwise specified in the Agreement;

“Cycle” means a unit of measure of an LCF Component’s life, whereby each LCF Components life is expressed in Cycles. The airworthiness section of the Engine maintenance manual and other instructions for continued airworthiness are the official source for LCF Components’ cyclic lives;

“Business Days” shall refer to any day other than a weekend or a statutory holiday in Canada or the state of Florida.

“DCU” means the Data Collection Unit for the Engine;

“Designated Analysis Center” (“DAC”) means CAMP Systems International Inc. (“**CAMP**”), or the Engine Condition Trend Monitoring (“ECTM Software”) supplier authorized by CAMP to analyse the Engine data;

“Designated Facility” means P&WC or a facility within P&WC’s network of facilities designated by P&WC to perform the Services and/or Additional Services under the Agreement;

“Engine Module” means an Engine reduction gearbox, Engine turbo machine section, power section, gas generator section, or an accessory gearbox;

“Engine Operating Hour(s)” means the number of hours accumulated by an Engine as indicated in the Engine logbook in accordance with the applicable regulatory agency requirements and which is used towards the accounting of hour based maintenance intervals;

“Environmental Damage” means damage caused to an Engine, over a period of time, by environmental factors such as but not limited to, environmental matter/debris ingested by the engine (i.e. sand, dirt, airborne particles, etc.) and/or operating, parking or storing Engine(s) in an environment where corrosion and/or sulphidation is more likely to occur;

“Erosion Driven Event” means the premature Engine Repair for performance restoration when performance loss is attributable to eroded Components where such erosion is due to environmental matter/debris ingested by the engine (i.e. sand, dirt, airborne particles, etc.);

"Extended Hover Use Time" means the accumulated time on the Engines since new or since last Overhaul, whichever is less, and under which the rotorcraft was operated in hover in or outside ground effect, excluding normal take-off and landing procedures;

"FAA-PMA" means the United States Federal Aviation Administration – Parts Manufacturer Approval;

"Fleet" means the aircraft owned and/or lawfully leased or operated by the Operator, powered with Engines covered under the Agreement and having the specifications set out in the Specification Section of the Agreement;

"Flight" means a completed takeoff and landing of the Operator's aircraft;

"FOD" means Foreign Object Damage, damage to any portion of the aircraft's Engine caused by impact or ingestion of birds, stones, hail or other conditions or debris not part of the Engine;

"Good(s)" means a P&WC Engine, or any Component, Accessory, Module, furnishing or other equipment of any kind which is installed in or attached to the Engine;

"Guaranteed Maintenance Cost Program" ("GMCP") refers to the program under which the Operator pays on a monthly basis, for the Term, an amount equal to a predetermined Hourly Rate per Engine Operating Hour for the Services covered under the Agreement, based upon all Engine Operating Hours being paid since last Overhaul, or if never Overhauled, since new;

"HSI" means Hot Section Inspection, the removal and inspection of Engine combustion and turbine section Components, and the repair or replacement of deteriorated Components, in compliance with the applicable Engine maintenance manual criteria or in-service inspection criteria as deemed applicable;

"LCF Component(s)" means Low Cycle Fatigue Component(s). Components whose service lives are limited to a specific number of cycles, as specified in the applicable P&WC service bulletins or maintenance manuals;

"Module" refer to Engine Module;

"NBUER" means Non-Basic Unplanned Engine Removal. It is an unplanned Engine removal caused by conditions or circumstances not directly related to the Engine such as, without limitation, FOD and lightning strike;

"On-Condition" means the maintenance program established by P&WC and approved by applicable airworthiness authorities comprising of repetitive inspections or tests to determine the condition of an Engine or Engine Module with regard to continued serviceability, based upon which corrective action may be taken when required;

"Operator Hold" means an Operator's Engine put on hold, irrespective of the stage of the provision of Services or Additional Services (completed or not). Reasons for Operator Holds may include without limitation to events in which the Designated Facility is waiting for an Operator's: i) purchase order; ii) confirmation of workscope; iii) cost estimate approval; iv) information/data required to proceed with the Services; or v) resolution of payment issues;

"Operator's Profile" means the Operator's represented and warranted mission profile, fleet, operating and maintenance practices set forth in the Agreement;

"Operator's Information" means information required to perform the Services included in the hourly rate and Additional Services provided in the Agreement such as, without limitation, company name, address, customer account number, enrolled engine serial numbers.

"Overhaul" means the Engine or Engine Module disassembly, non-destructive testing, inspection of all Components and Accessories, the Repair or replacement of defective parts, re-assembly and testing of the Engine or Engine Module, all in accordance with the applicable P&WC Overhaul manuals;

"P&WC Group" is meant to include affiliates, parents and subsidiaries of P&WC, including P&WCL and Pratt & Whitney Components Solutions;

"P&WCL" means Pratt & Whitney Canada Leasing, Limited Partnership;

“Repair(s)” means the services necessary to return an Engine or Component to a serviceable condition, performed in accordance with P&WC’s Engine maintenance manual, Overhaul manual, or Engine cleaning inspection and repair manual, as applicable;

“Specification Section” means the section(s) at the beginning of the Agreement where the Fleet and Operating Profile represented by the Operator and the Services included in the Hourly Rate are identified. Note: If there are more than one Fleet covered under this Agreement each Fleet will have its own Specification Section; and

“WebECTM Software” refers to the software tool that is used to monitor Engine performance trends, tracked by the DAC’s web site and accessible to the Operator via the internet.

ANNEX B – PT6C-67C ACCESSORIES & LCF COMPONENTS

TABLE A: PT6C-67C ACCESSORIES

Valve – Bleed, Electronic	Exciter – Ignition
Control – Engine Electronic	Ignition Cables
Fuel Management Module	T5 Wiring Harness
Cooler - Oil, Fuel Cooled	T5 Thermocouple Harness / Probes
Electrical Wiring Harness	Heater – Fuel
Data Collection Unit (DCU)	T1 Wiring Harness
Fuel Accumulator, Ecology System	Main Oil Temperature Sensor and Low Oil Pressure Switch
Flexible Fuel Manifold	Main Oil Pressure Sensor
Rotor, Alternating Current Generator (PMA)	Fuel Impending Bypass Switch and Temperature Sensor
Stator, Alternating Current Generator (PMA)	Ng Speed Sensor
Chip Detectors	Npt Speed and Torque Sensor
Oil Filter Impending Bypass Indicator	Fuel Nozzles
	P2.8 Check Valve

TABLE B: PT6C-67C LCF COMPONENTS

Compressor Rotor Stub Shaft	Impeller
Compressor Rotor (First Stage)	Compressor Turbine Disk
Compressor Rotor (Second Stage)	Power Turbine Disk (First Stage)
Compressor Rotor (Third Stage)	Power Turbine Disk (Second Stage)
Compressor Rotor (Fourth Stage)	

ANNEX C – MONTHLY REPORT FORM

Section A: GENERAL INFORMATION

OPERATOR: _____

ENGINE MODEL: _____

AGREEMENT TYPE: _____

AGREEMENT NUMBER: _____

Section B: MONTHLY ENGINE UTILIZATION REPORT

MONTH: _____

Aircraft & Engine Information		Monthly Engine Utilization		Cumulative Engine Utilization		Engine Removal and Installation during Reporting Period			
A/C Tail #	Engine Serial Number (ESN)	Hours	Flights	Total Time Since New (TTSN)	Time Since Overhaul (TSO)	ESN Removed	TTSN at Removal	ESN Installed	TTSN at Installation

Date of Report: _____

Filled by: _____

Signature _____

ANNEX D – WIRE TRANSFER

Pratt & Whitney Canada Corp.
1000 Marie-Victorin
Longueuil, Québec, J4G 1A1 Canada
(450) 877-9111



21st Juin 2019 / 21st June 2019

Banking Instructions - Pratt & Whitney Canada Corp.

US Customer USD \$

Electronic Funds Transfer (ACH/EFT)

Bank: BMO Harris N.A.
111 West Monroe, Chicago, IL 60603
ABA #: 071000288
Account #: 3809324
For credit to: Pratt & Whitney Canada Corp.
Swift address: HATRUS44

USD \$ Wire Transfer

Beneficiary: Pratt & Whitney Canada Corp.
1000 Marie-Victorin
Longueuil, Quebec Canada
J4G 1A1

Bank: Bank of Montreal
279 St-Charles
Longueuil, Quebec Canada
J4H 1E4
Swift Code: BOFMCAM2
Bank ID: 0001
Bank Transit: 01431
Account #: 01434600007

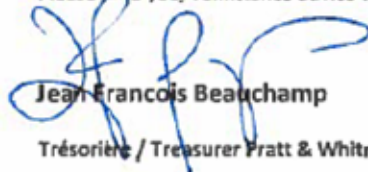
Intermediary bank (if required):

Bank: Wells Fargo Bank N.A.
11 Penn Plaza, 4th Floor
New York, New York 10001
Swift Code: PNBPU53NNYC
Fed wire ABA Number 026005092 or CHIPS UID Number 0509

Cheque payment

JPMorgan Chase Bank N.A.
TX1-0029
14800 Frye Road
Fort Worth, Texas 76155
Attention: Lockbox 730011
For the account of Pratt & Whitney Canada Corp.

Please send your remittance advice to: ACCOUNTS.RECEIVABLES@PWC.CA


Jean-François Beauchamp
Trésorier / Treasurer Pratt & Whitney Canada Corp.

ANNEX E – WARRANTY

1. COVERAGE: The P&WC Designated Facility warrants that, at time of completion, its Services and any work provided for Additional Services, will conform to applicable P&WC specifications and standards of good workmanship in the industry. Designated Facility further warrants that, at time of delivery, new, Repaired, Overhauled, exchanged Engine parts and Accessories (collectively “Goods”) will be free from defects in material and workmanship and will conform to the applicable manufacturer’s instructions for continued airworthiness based on information available at the time. The following chart specifies the Engine Overhaul, Repair and Refurbishment warranties, which are subject to the Exclusions and Limitations herein:

WARRANTY	ITEMS COVERED	COVERAGE LEVEL	Warranty and Claim Period the first to occur of (A) or (B) below:	
			(A) Engine Operating Hours	(B) Time after Delivery
OVERHAUL Comprehensive Coverage	<ul style="list-style-type: none"> • Workmanship • Goods supplied by Designated Facility 	100% Coverage	Within 1000 engine operating hours after first use	Within 1 year
Extended Coverage (to commence after consumption of the Comprehensive Coverage)	<ul style="list-style-type: none"> • Workmanship 	Pro-Rata Coverage	Full Time Between Overhaul (“TBO”) interval as published by P&WC at the time of overhaul by Designated Facility (pro-rated after first 1000 engine operating hours - see Section 3)	Within 10 years
REPAIR / REFURBISHMENT Tested engine repair	<ul style="list-style-type: none"> • Workmanship • Goods supplied by Designated Facility 	100% Coverage	Within 500 engine operating hours after first use	Within 1 year
Untested engine repair		100% Coverage	Within 500 engine operating hours after first use	Within 90 days

The warranties and remedies are applicable only to Engines operated in non-military aircraft which are used for commercial transportation service.

Covered Engines must comply with mandatory Airworthiness Directives, P&WC recommended service bulletins (subject to agreed workscope) and all applicable Commercial Support Programs unless otherwise specified.

2. EXCLUSIVE REMEDIES: Designated Facility will provide the following as sole and exclusive remedies for defects covered under this Policy:

- (i) Correct the defective condition and resulting damage solely to the Goods by, at Designated Facility’s option, Repairing, replacing or issuing credit for the damaged Goods;
- (ii) Reimburse reasonable charges for removal and installation of the Engine or Goods (provided the removal is solely due to the defect); and
- (iii) Reimburse reasonable shipping charges (excluding insurance, duties, brokerage fees, and taxes) ;

(collectively the “**Exclusive Remedies**”). In addition to the Exclusive Remedies, Designated Facility will waive daily rental fees on rental engine used to replace the Operator's Engine during correction of defect (for greater clarity, the normal hourly operating charges will still apply).

3. EXTENDED COVERAGE - PRO-RATA: The Extended Coverage is pro-rated based on the consumption between TBO intervals published by P&WC at the time of Overhaul by Designated Facility. The Extended Coverage commences after consumption of the Comprehensive Coverage and gradually decreases to no coverage at consumption of the entire TBO interval. The Operator will bear a portion of the cost of the Exclusive Remedies pro-rated to the full TBO interval, as shown in the following examples:

Example 1: Assume that the Engine published TBO interval at the time of Overhaul by Designated Facility is 3,500 hours and that the Engine has 900 Engine Operating Hours and 14 months since last Overhaul. The Operator would bear 29% (1,000/3,500) of the costs of the Exclusive Remedies and the Designated Facility would bear 71% of the costs of the Exclusive Remedies.

Example 2: Assume that the Engine published TBO interval at the time of Overhaul by Designated Facility is 3,500 hours and that the Engine has 2,200 Engine Operating Hours and 9 months since last Overhaul. The Operator would bear 63% (2,200/3,500) of the costs of Exclusive Remedies and the Designated Facility would bear 37% of the costs of the Exclusive Remedies.

4. EXCLUSIONS & LIMITATIONS: The warranties described above do not cover:

4.1 Costs of normal scheduled maintenance services, which may include: (i) routine line maintenance and adjustment costs; (ii) HSI and refurbishment costs; (iii) Engine Overhaul or major refurbishment costs; and any other costs related to Engine maintenance not specifically covered under this Policy, including as specified in SIL GEN-034;

4.2 Normal Deterioration, including: (i) normal wear and tear and deterioration resulting of normal Engine operation or as the result of the installation of a known defective Engine part by the Operator under a concession granted by the FAA or an OEM (other than P&WC); and (ii) Overhaul life of assemblies, service life limits or parts, and/or operating time limits;

4.3 Unsupported Parts, including the following parts and subsequent Engine Repairs or damages that are directly attributable to the use of one of the following parts:

- (i) parts that are not originally supplied by P&WC or its authorized distributors and accompanied by the P&WC Manufacturer's Release Certificate or Canadian Department of Transport Certificate of Airworthiness, as applicable (including parts approved under an FAA Parts Manufacturer Approval (PMA) or international airworthiness equivalent);
- (ii) parts that are not identified in the applicable P&WC Illustrated Parts Catalogue (“**IPC**”) and accompanied by the Supplier's Release Certificate;
- (iii) parts that are not Repaired in accordance with P&WC approved Repair processes;
- (iv) parts that are not traceable, e.g. have insufficient supporting documentation; and
- (v) parts that have been involved in an accident, or other part or Engine failures attributable to that part.

4.4 Factors beyond Designated Facility's control, including:

- (vi) improper storage, usage, maintenance or operation of an Engine, part or accessory that is not consistent with the instructions and procedures of Designated Facility, the aircraft manufacturer or the airworthiness regulations (including abuse, misuse, neglect or experimental use);
- (vii) any work performed on Engines without due cause such as pre-purchase inspections, or scheduled maintenance performed at other than P&WC recommended intervals;
- (viii) accidents, collisions, propeller strikes, fire, flood, lightning strike, theft, explosion, riot, war, rebellion, seizure or any other belligerent acts; foreign object damage (FOD), erosion, corrosion, sulphidation or any other damage due to the operating environment;
- (ix) alteration to, modification of, or tampering with any Engine, part or accessory after

- delivery by Designated Facility, other than strictly in accordance with the applicable P&WC manuals and this Policy;
- (x) use of stolen parts, or use of a part or Engine from which P&WC's name, part number, identification mark or serial number has been removed or defaced;
 - (xi) workmanship performed by a facility other than P&WC approved facilities;
 - (xii) Repair or Overhaul of a defective part or Engine at a facility other than a facility designated by P&WC Warranty Administration;
 - (xiii) Engines operated by a military, para-military or government service unless it is determined, at the sole discretion of Designated Facility, that the Engine has not been used in operations or on flight missions which compromise Engine or parts life or reliability when compared to typical commercial, corporate, or private transportation operations;
 - (xiv) unused Cycles (stub life) of an LCF part removed at the Operator's request prior to reaching the service limit; and
 - (xv) insurance, duties, brokerage fees, and taxes.

5. FOR WARRANTY SERVICE: Any warranty claim must be submitted within the maximum Engine Operating Hours and time after delivery as set out in Section 1. For any warranty work, the Engine or Goods (as applicable) must be sent to a facility designated by the Designated Facility, in accordance with the Designated Facility's written instructions. Any work performed at a facility other than a facility designated by the Designated Facility, without prior written authorization from the Designated Facility will be at the Operator's expense.

6. THE WARRANTY DESCRIBED HEREIN IS THE ONLY WARRANTY PROVIDED BY DESIGNATED FACILITY AND IS GIVEN AND ACCEPTED IN PLACE OF ALL OTHER EXPRESS, IMPLIED OR STATUTORY WARRANTIES, TERMS, REPRESENTATIONS, OR CONDITIONS, IN CONTRACT, TORT OR STRICT LIABILITY, INCLUDING WITHOUT LIMITATION, ANY WARRANTY OR CONDITION OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR NONINFRINGEMENT AND ALL SUCH OTHER WARRANTIES, TERMS, REPRESENTATIONS, OR CONDITIONS ARE HEREBY EXPRESSLY DISCLAIMED. THE ONLY REMEDIES FOR BREACH OF THIS WARRANTY ARE SET OUT HEREIN. FOR GREATER CERTAINTY, AND NOTWITHSTANDING ANYTHING TO THE CONTRARY HEREIN, IN NO EVENT SHALL DESIGNATED FACILITY OR ANY MEMBER OF THE P&WC GROUP BE RESPONSIBLE FOR ANY INDIRECT, SPECIAL, INCIDENTAL OR CONSEQUENTIAL DAMAGES ARISING OUT OF OR IN CONNECTION WITH EITHER A BREACH OF THIS WARRANTY. INDIRECT, SPECIAL, INCIDENTAL, OR CONSEQUENTIAL DAMAGES INCLUDE, WITHOUT LIMITATION, ECONOMIC LOSS, LOSS OR DAMAGE TO ANY PROPERTY OR PERSON OR ANY OTHER EXEMPLARY, PUNITIVE OR SIMILAR DAMAGES, AS WELL AS EXPENSES INCURRED EXTERNAL TO THE ENGINE AS A RESULT OF AN ENGINE, ENGINE PART OR PART DEFECT. NO VARIATION OR EXTENSION OF THIS WARRANTY OR REMEDIES SHALL BE BINDING UNLESS IN WRITING AND SIGNED BY A DULY AUTHORIZED REPRESENTATIVE OF DESIGNATED FACILITY. FOR THE PURPOSES HEREIN, "P&WC GROUP" INCLUDE ALL AFFILIATES, PARENTS AND SUBSIDIARIES OF P&WC.

ANNEX F – DELIVERY

Engines/Components & Accessories/ Rental Engines	Applicable (Incoterms 2020)	Transportation paid by:	Responsibility for risk of loss or damage during transit:
Engines delivered by the Operator to Designated Facility for Services	<p>Engines shall be delivered DAP (Delivery At Place) to Designated Facility in Canada, Poland or Singapore</p> <p>Engines shall be delivered DDP (Delivery Duty Paid) to the Designated Facility outside of Canada, Poland or Singapore</p> <p>In both cases, Engines shall be delivered:</p> <p>i) from an international airport nearest to Operator's facility or other location acceptable to P&WC</p> <p>ii) using P&WC's carrier of choice.</p> <p>[Third party billing to: P&WC , address (1000 Marie Victorin, Longueuil, QC Canada J4G 1A1)]</p> <p>* Operator must indicate "Third Party Billing to P&WC" on the (i) bill of lading and (ii) customs pro-forma invoice.</p>	P&WC	Operator
Return of Engines by Designated Facility following completion of Services	Engines shall be delivered CPT (Carriage Paid To) an international airport nearest to Operator's facility or other location acceptable to P&WC	P&WC	Operator
Components & Accessories delivered by Operator to Designated Facility for requested Services	<p>Components & Accessories shall be delivered DAP (Delivery At Place) to Designated Facility in Canada, Poland or Singapore.</p> <p>Components & Accessories shall be delivered DDP (Delivery Duty Paid) to the Designated Facility outside of Canada, Poland or Singapore.</p>	Operator	Operator
Return of Components & Accessories by Designated Facility following completion of Services	Components & Accessories shall be delivered to Operator's carrier of choice FCA (Free Carrier) from the Designated Facility	Operator	Operator

Engines/Components & Accessories/ Rental Engines	Applicable (Incoterms 2020)	Transportation paid by:	Responsibility for risk of loss or damage during transit:
<p>Delivery and Return of Rental Engines if Rental Engine Support Package is selected*</p>	<p>Rental Engines shall be delivered to Operator CPT (Carriage Paid To) at an international airport nearest to Operator’s facility or other location acceptable to P&WCL.</p> <p>Rental Engines shall be returned to P&WCL DAP (Delivery At Place) at P&WCL’s Designated Facility in Canada or DDP (Delivery Duty Paid) at P&WCL’s Designated Facility outside of Canada</p> <p>i) from an international airport nearest to Operator’s facility or other location acceptable to P&WCL</p> <p>ii) using P&WCL ’s carrier of choice.</p> <p>[Third party billing to: P&WC, 1000 Marie-Victorin, Longueuil, QC Canada J4G 1A1]</p> <p>* Operator must indicate “Third Party Billing to P&WCL” on the (i) bill of lading and (ii) customs pro-forma invoice.</p>	<p>P&WCL</p>	<p>Operator</p>
<p>Delivery and Return of Rental Engines if Rental Engine Support Package is not selected*</p>	<p>Rental Engines shall be delivered to Operator CPT (Carriage Paid To) at an international airport nearest to Operator’s facility or other location acceptable to P&WCL and returned to P&WCL DDP (Delivery Duty Paid) at P&WCL’s Designated Facility in Canada or DDP (Delivery Duty Paid) at P&WCL’s Designated Facility outside of Canada.</p> <p>Operator agrees to reimburse P&WCL for freight charges in accordance with section 11.3.2.</p>	<p>Operator</p>	<p>Operator</p>

ANNEX G – LCF SERVICES

The LCF Rate as indicated in the Specification Section is based on the number of Engine Operating Hours over which the LCF Services will be provided (the “LCF Term”) and the LCF Services to be provided for each Engine during such LCF Term. A new LCF Term shall automatically begin upon completion of the initial LCF Term.

LCF Term per Engine: **5,000 Engine Operating Hours since new.**

LCF Discount for LCF Rate Reserve for incomplete LCF Term: **25%** discount off P&WC’s Spare Parts List Price.

LCF Services per Engine		% of LCF Rate per Unit of LCF Item <small>(for account reserve purposes for completed LCF Term)</small> [B]	Total % of LCF Rate per LCF Item <small>(for reference only)</small> [C] = [A] X [B]
LCF Item	Number of Units included per LCF Term [A]		
Replacement Compressor Rotor Stub Shaft	1	6.7%	6.7%
Replacement Compressor Rotor (First Stage)	1	7.4%	7.4%
Replacement Compressor Rotor (Second Stage)	1	8.1%	8.1%
Replacement Compressor Rotor (Third Stage)	1	10.1%	10.1%
Replacement Compressor Rotor (Fourth Stage)	1	12.2%	12.2%
Replacement Impeller	1	13.2%	13.2%
Replacement Compressor Turbine Disk	1	14.4%	14.4%
Replacement Power Turbine Disk (First Stage)	1	14.4%	14.4%
Replacement Power Turbine Disk (Second Stage)	1	13.5%	13.5%
			100%

ANNEX H – ENGINE LEASE AGREEMENT

The Owner/Lessee/Operator named **Miami Dade County, FL**, having a business address located at 111 NW 1st Street, Miami, FL, 33128 (hereinafter, “**Customer**”), agrees to lease the engine indicated below (hereinafter the “**Leased Engine**”) in accordance with the terms set forth herein (the “**Agreement**”) from Pratt & Whitney Canada Leasing, Limited Partnership (hereinafter, “**P&WCL**”) acting and represented herein by its general partner, Pratt & Whitney Canada Corp (hereinafter, “**P&WC**”) having a business address located at 1000 Marie-Victorin, Longueuil, Quebec, Canada J4G 1A1. P&WC, its affiliates and subsidiaries, are collectively referred to herein as the “**P&WC Group**” and P&WCL and Customer are hereinafter referred to individually as a “**Party**” and collectively, as the “**Parties**”.

<p>LEASED ENGINE</p> <p>Model: _____</p> <p>Serial Number _____</p> <p>Time since new _____</p> <p>On Condition: _____</p> <p>TBO Interval <input type="checkbox"/> yes <input type="checkbox"/> no _____</p> <p>HSI Interval _____</p> <p>Scheduled Return Date _____</p> <p>Estimated monthly operating hrs: _____</p> <p>Build Specification: _____</p>	<p>RENTAL RATES</p> <p>US\$ _____ per operating hour</p> <p>US\$ _____ per day</p> <p>SPECIAL RATES</p> <p>US\$ _____ per operating hour</p> <p>US\$ _____ per day</p> <p>For: <input type="checkbox"/> ESP® Program <input type="checkbox"/> FMP® Program <input type="checkbox"/> Warranty <input type="checkbox"/> Other</p> <p>NO CORE DAILY FEE</p> <p>US\$ _____ per day (Section 6.0 of the Agreement)</p> <p>For PW100 and PW150 a minimum of 75 hours per month shall be charged and for PT6A regional, a minimum of 50 hours per month shall be charged</p>
<p>CUSTOMER’S ENGINE</p> <p>Customer’s engine due in for services to be performed by P&WC or the P&WC Group: <input type="checkbox"/> yes <input type="checkbox"/> no</p> <p>Model: _____</p> <p>Engine Serial _____</p> <p>Number (s): _____</p> <p>Or, any other engine having a different serial number than the one set forth above which is sent to P&WC or the P&WC Group for services and for which P&WCL confirms the extension of the Agreement.</p>	<p>ADDITIONAL FEES</p> <p>US\$ _____ per day (Section 5.0 of the Agreement)</p> <p>Additional Fees include: late return of the Customer’s core engine to P&WCL or the P&WC Group for repair, core engine on hold due to the Customer, late return of Leased Engine.</p> <p>*Additional Fees are not covered under ESP/FMP</p> <p>OTHER REQUIREMENTS</p> <p>Customer Deposit: US\$ _____</p> <p>Leased Engine replacement value: US\$ _____</p>

NOTICES TO P&WCL		NOTICES TO CUSTOMER	
Contact Person:		Contact Person:	
Title:		Title:	
Address:	1000 Marie-Victorin	Address:	111 NW 1 st Street
	Longueuil, Quebec		Miami, FL,
	Canada J4G 1A1		33128
Telephone Number:		Telephone Number:	
Facsimile Number:		Facsimile Number:	
Email:		Email:	

IN WITNESS WHEREOF, the parties have executed this Agreement effective as of the contract date herein above set forth.

Pratt & Whitney Canada Corp., in its capacity as general partner of Pratt & Whitney Canada Leasing, Limited Partnership

Miami-Dade County

By: _____
 Name: _____
 Title: _____
 Date: _____
 Attest: _____
 Corporate Secretary/Notary Public

By: _____
 Name: Daniella Levine Cava
 Title: Mayor
 Date: _____
 Attest: _____
 Clerk of the Board

Corporate Seal/Notary Seal

Approved as to form and legal sufficiency

 Assistant County Attorney

1. TERM

The term of the Agreement shall begin from delivery of the Leased Engine to the carrier, and unless otherwise specified in writing by P&WCL, terminates seven (7) days after (i) the Customer has been notified of completion of the maintenance services on Customer's Engine; or (ii) receipt by the Customer of a termination notice from P&WCL terminating the Agreement for any reason whatsoever, whichever occurs first (the "Term"). Continued possession of the Leased Engine after termination of the Agreement shall not be deemed or be construed as a renewal or extension of the Term or as consent to such possession.

2. OPERATING CONDITIONS

Customer shall operate the Leased Engine in a civil aircraft certified for commercial or corporate service only, in accordance with the Leased Engine type certificate and applicable P&WC engine maintenance manuals and operating instructions.

3. DELIVERY AND RETURN OF THE LEASED ENGINE

P&WCL will arrange for the delivery of the Leased Engine CPT to Customer's designated facility (Incoterms 2010). Customer shall, upon termination of the Agreement, and in accordance with P&WCL's written instructions, return the Leased Engine DAP (for deliveries to Canada) or DDP (for deliveries to destinations other than Canada) to P&WCL's designated facility, Customer agrees to reimburse P&WCL for freight charges incurred by P&WCL to transport the Leased Engine to Customer's designated facility, which charges shall be invoiced to Customer by P&WCL.

4. RENTAL & SPECIAL RATES

Customer will be invoiced the applicable rates specified on the cover page hereof. Rental Rates and Special Rates are subject to annual escalation applied on the 1st of January of each year.

5. ADDITIONAL FEES

Additional Fees indicated on the cover page hereof are automatically applied on the eighth (8th) day from the occurrence of any of the events below:

- a) Customer's failure to (i) deliver Customer's Engine for maintenance services to the P&WC Group within seven (7) days from P&WCL's delivery (as per Section 3.0 above) of the Leased Engine to carrier; (ii) return the Leased Engine and the P&WCL logbooks to P&WCL's designated facility; (iii) notify P&WCL within seven (7) days from shipment of Customer's Engine from P&WCL's designated facility that performs the services, that the Leased Engine is ready for pick-up; or (vi) return the Leased Engine in accordance with section 10.0 (Return Conditions) below; or
- b) The P&WC Group, or the P&WCL designated facility, is waiting for Customer's (i) purchase order; (ii) confirmation of workscope; (iii) cost estimate approval; (iv) information/data required to proceed with the maintenance services; or (v) payment; or
- c) Customer puts a hold on its Engine at any time during maintenance services for seven (7) consecutive days.

Additional Fees will continue to apply until any and all of the applicable aforementioned events have ceased. Additional Fees are subject to annual escalation applied on the 1st of January of each year.

Should Customer fail to return the Leased Engine and the P&WCL logbooks to P&WCL within thirty (30) days from the end of the Term, P&WCL may, at its discretion, invoice Customer for the replacement value of the Leased Engine indicated on the cover page hereof.

6. NO CORE DAILY FEE

6.1 If Customer's Engine is due in for maintenance services to be performed by P&WC and Customer fails to deliver its engine to P&WC for the maintenance services, then the No Core Daily Fee indicated on the cover page

hereof will automatically be applied for the period from P&WCL's delivery (as per Section 3.0 above) of the Leased Engine to carrier until the Leased Engine is returned by Customer to P&WCL's designated facility.

6.2 In the event that multiple engines will be delivered to P&WC for maintenance services under the Agreement, and Customer fails to deliver any Engine to P&WCL's designated facility within seven (7) days from P&WCL's delivery of a previously shipped engine to Customer following completion of the services, then the No Core Daily Fee indicated on the cover page hereof will automatically be applied.

7. PAYMENT

P&WC agrees that under the provisions of this Agreement, as reimbursement for those actual, reasonable and necessary costs incurred by the P&WC, which are directly attributable or properly allocable to the Services, P&WC may bill the County periodically, but not more than once per month, upon invoices certified by P&WC pursuant to applicable rates listed on the cover page. All invoices shall be taken from the books of account kept by P&WC, shall be supported by copies of payroll distribution, receipt bills or other documents reasonably required by the County, shall show the County's contract number, and shall have a unique invoice number assigned by P&WC. It is the policy of Miami-Dade County that payment for all purchases by County shall be made in a timely manner and that interest payments be made on late payments. In accordance with Section 218.74 of the Florida Statutes, and Section 2-8.1.4 of the Code of Miami-Dade County, the time at which payment shall be due from the County shall be forty-five (45) days from receipt of a proper invoice.

All payments due from the County that and not made within the time specified by this section shall bear interest from thirty (30) days after the due date at the rate of one percent (1%) per month on the unpaid balance. Further, proceedings to resolve disputes for payment of obligations shall be concluded by final written decision of the County Mayor, or his or her designee(s), not later than sixty (60) days after the date on which the proper invoice was received by the County.

8. AUTHORIZATION TO ACT ON CUSTOMER'S BEHALF

If Customer has appointed a third party as an agent to act on its behalf pursuant to this Agreement for the sole purpose of (i) issuing or modifying purchase orders to P&WCL on Customer's behalf related to this Agreement and (ii) providing P&WCL with all necessary instructions in connection with this Agreement, then Customer hereby authorizes P&WCL to (i) accept purchase orders, or any modifications thereon, from such third party, on behalf of Customer and (ii) accept instructions from such third party, on behalf of Customer, with respect to the Agreement. The foregoing shall in no event release Customer from any obligations under this Agreement. Customer shall remain liable for any act of such third party and shall indemnify and hold P&WCL harmless against any costs, expenses or liabilities incurred by P&WCL in connection with any act, omission or instruction of such third party pursuant to this Agreement.

9. CUSTOMER RESPONSIBILITIES

During the Term Customer shall:

- a) Report to P&WCL, by the fifth (5th) day of every month during the Term, the actual Lease Engine operating hours used. Failure to provide such report will automatically result in Customer being charged an estimated number of operating hours as determined by P&WCL and based on Customer's profile and flying information available to P&WCL at the time it issues an invoice;
- b) Obtain P&WCL's written approval before proceeding with any repairs or exchanging any parts of the Leased Engine. Any unauthorized repairs or exchange of parts conducted by Customer will be at Customer's sole cost and expense;
- c) Document dates of maintenance and inspections carried out on the Leased Engine in accordance with applicable regulatory authority requirements and record such information in P&WCL's logbook;
- d) At its own expense, carry out all required scheduled inspections to the Leased Engine in accordance with applicable P&WC maintenance manuals and regulatory authority requirements including fuel nozzle, filter and boroscope inspection(s);

- e) In the case of the PW306B, PW307A, PW150, and PW100 engine models, maintain the Leased Engine on-condition in accordance with P&WC's maintenance checks set out in the applicable maintenance manuals;
- f) Document in P&WCL's logbook, the removal and installation dates of all parts including the part number, serial number, engine time and as may be applicable, the accessory time;
- g) Immediately report to P&WCL any damage or discrepancies found during the inspection of the Leased Engine at the time of its removal from the aircraft; and
- h) Permit P&WCL to inspect the Leased Engine at any time upon reasonable notice.

10. RETURN CONDITIONS

Prior to returning the Leased Engine to P&WCL, Customer shall, at its own expense:

- a) Perform an engine ground performance run in accordance with the applicable P&WC engine maintenance manual; (ii) enter the results of the performance run on the performance run sheet supplied by P&WCL; (iii) insert a copy of the performance run in the P&WCL logbook; (iv) inspect for possible fluid leaks, damage or any other discrepancies; and (v) execute a serviceability statement in the P&WCL logbook. Failing to document the required serviceability statement shall result in P&WCL performing the test cell run itself which costs will in turn be invoiced to Customer;
- b) Package and preserve the Leased Engine in a P&WC-approved container in accordance with the appropriate manuals of the Original Equipment Manufacturer;
- c) Attach a completed maintenance release tag to any Leased Engine part or accessory that may be delivered separately from the Leased Engine; and
- d) Return the Leased Engine complete with the supplied P&WCL Leased Engine accessories and line replacement units. Customer will be invoiced for any missing parts at P&WC's then current List Price.

11. CUSTOMER'S DEPOSIT

Except for Customer's default in the performance of any of its obligations herein, Customer's Deposit shall be credited toward the total amount owing by Customer. Remaining amounts (if any) will be disbursed in accordance with section 12.0 (Set Off).

For greater certainty, it is understood and agreed by the Customer that P&WCL shall have the right to automatically cash any Customer's Deposit following termination of the Agreement pursuant to Section 19.0.

12. SET OFF

In the event any amount is owed to P&WCL under the Agreement between Customer and the P&WC Group, the P&WC Group, including P&WCL, shall be entitled to set-off such amount against any sum payable to Customer.

13. DAMAGE OR LOSS

Notwithstanding P&WCL's selection of the carrier, Customer is responsible for all loss or damage to the Leased Engine, however caused, from the time of delivery to the carrier until its return to P&WCL. In the event of loss or damage to the Leased Engine, Customer shall promptly notify P&WCL and Customer shall pay (i) all costs associated with the repairs required to preserve the value of the Leased Engine; or (ii) the replacement value indicated on the cover page, as P&WCL may determine in its sole discretion.

14. INSURANCE

14.1 The Customer certifies that it shall carry all risk hull and spares insurance (including hull war insurance) on a Leased Engine for an amount not less than the Leased Engine Replacement Value set out in the relevant Lease on an Agreed Value basis, insuring it for loss or damage while on ground, in transit, taxiing or in-flight (including ingestion of foreign material), including coverage for theft and fire insurance throughout the Term. P&WCL shall be named as the

Loss Payee with respect to the Leased Engine and waive their insurers rights of subrogation against Lessor and P&WC.

14.2 The Customer further certifies that it carries Aircraft Liability Insurance (including war risks), for bodily injury (including passengers) and property damage coverage sufficient, as determined and deemed acceptable by the Lessor in its sole discretion (the Liability Limit), to cover any and all damages caused in whole or in part at any time throughout the Term. The Customer's liability insurance shall name the Lessor and P&WC as additional insureds, be primary and include a severability of interest/cross liability clause. The Customer shall produce a Certificate of Insurance prior to delivery of a Leased Engine. With regard to the insurance required herein, the Customer agrees to include a breach of warranty in favor of the Lessor and P&WC, and provide the Lessor thirty (30) days ((ten (10) days for non-payment of premium), (seven (7) days regarding War Risks Coverage(s)) prior written notice in the event of cancellation or adverse material change to policy and/or its provisions.

14.3 The Customer is required to incorporate market standard clause AVN67B (or equivalent) to evidence the above special provisions included within their insurance coverage.

15. INDEMNIFICATION

The Customer agrees to indemnify and hold harmless the Lessor, P&WC and their respective directors, officers, agents, representatives and employees from and against all claims, demands, and causes of action of every type and character (including attorney's fees) ("Claim") whether based on contractual or extra-contractual liability, tort, strict liability, negligence, statute, or any other theory at law or in equity arising out of or related to the Leased Engine or the performance of this Agreement. Upon the Lessor's request, the Customer shall at its own cost defend the Lessor, P&WC and their respective directors, officers, agents, representatives and employees against such claims and demands. The Customer must give the Lessor immediate notice in writing of any such Claim and the opportunity to participate in any proceeding or negotiation, at its sole discretion and choice. Under no circumstances will the Customer settle such Claim that binds the Lessor in any way without the Lessor's written agreement thereto. In all cases, the Customer must provide the Lessor with all information available to the Customer and pertaining to the Claim; and the Customer will give the Lessor all reasonable assistance and will not by any act or omission do anything that may directly or indirectly prejudice the Lessor.

16. WARRANTY/DISCLAIMER

P&WCL WARRANTS THAT, AT THE TIME OF DELIVERY TO THE CARRIER, THE LEASED ENGINE WILL BE IN FLIGHT WORTHY CONDITION AND WILL CONFORM TO P&WC'S APPLICABLE SPECIFICATIONS. THE FOREGOING WARRANTY IS THE ONLY WARRANTY PROVIDED BY P&WCL AND IS GIVEN AND ACCEPTED BY CUSTOMER IN PLACE OF ALL OTHER WARRANTIES, EXPRESS OR IMPLIED BY LAW, STATUTE OR REGULATION AS TO ITS CONDITION, MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR USE OR PURPOSE. THE EXCLUSIVE REMEDY FOR BREACH OF THIS WARRANTY IS THE REPAIR OR REPLACEMENT OF THE LEASED ENGINE AS DETERMINED BY P&WCL IN ITS SOLE DISCRETION. IN NO EVENT SHALL P&WCL OR THE P&WC GROUP BE RESPONSIBLE FOR ANY INDIRECT, INCIDENTAL, SPECIAL, CONSEQUENTIAL OR PUNITIVE DAMAGES ARISING OUT OF OR IN CONNECTION WITH A BREACH OF THE WARRANTY, THIS AGREEMENT, . THE LEASED ENGINE IS PROVIDED FOR CUSTOMER'S OWN USE ONLY.

17. TITLE AND SECURITY

Title to the Leased Engine remains with P&WCL at all times and Customer agrees to not lend, sell, assign, or mortgage the Leased Engine, allow any lien to be placed on it or permit it to become subject to any legal process. P&WCL is entitled to retain Customer's Engine as security for any amounts due by Customer under the Agreement or any other agreement Customer has entered into with P&WCL or the P&WC Group. Customer permits P&WCL to file such security interest necessary to perfect P&WCL's security and further agrees to cooperate and complete any necessary document required in connection therewith.

18. TAXES

Customer is responsible for all taxes (excluding taxes based on P&WCL's net income), customs, fees, duties and other charges of any nature whatsoever, including interest and penalties thereon, resulting from transactions under the Agreement, and will reimburse P&WCL for any such charges P&WCL may be required to pay or remit to a governmental authority.

19. EXPORT PERMITS

Performance under the Agreement is subject to the receipt of any necessary governmental export or import license, or permit. P&WCL shall have no liability if for any reason any government delays or fails to issue any license or permit. Each contracting Party shall provide any information or documentation reasonably requested by the other Party in support of that Party's permit applications or compliance activities, including import certificates and end-user statements.

20. DEFAULT

20.1 Default. Except as otherwise provided for in the Agreement, in the event that a Party is in default of any provision of the Agreement and remains in default for a period of thirty (30) calendar days after receipt of written notice thereof from the other, then:

20.1.1 if the Operator is in default, P&WC may, without prejudice to any rights and remedies otherwise provided under the Agreement or by law, (i) immediately suspend the Services from the date of the written notice of default, or (ii) terminate the Agreement thirty (30) calendar days following the expiration of the aforementioned thirty (30) calendar days .

20.1.2 if P&WC is in default, the Operator may terminate the Agreement thirty (30) calendar days following the expiration of the aforementioned thirty (30) calendar days.

21. RIGHT OF ENTRY

In addition to P&WCL's other rights and remedies at law, in the event Customer fails to return the Leased Engine, Customer hereby grants P&WCL the right to access its premises or aircraft, or to secure such right if the premises or aircraft are not Customer's in order to recover such Leased Engine. Customer agrees to reimburse P&WCL for all costs and fees, including attorneys' fees and other expenses incurred by P&WCL in recovering the Leased Engine and effecting entry onto premises and/or aircraft.

22. ASSIGNMENT

Customer may not assign the Agreement in whole or in part without the prior written consent of P&WCL. Any purported assignment in violation of this provision is null and void.

23. NOTICES

All notices required to be given pursuant to the Agreement shall be in writing and will be considered as duly delivered when sent by registered mail or by fax to the other Party at the address or fax number set forth on the cover page of this Agreement or at such other address that either Party shall advise the other of in writing.

24. NON-DISCLOSURE

Except for permitted disclosure required pursuant to Section [35] of the Agreement (CONFIDENTIALITY AND DISCLOSURE) in accordance with the Public Records Laws of the State of Florida, Customer shall not disclose the content of the Agreement without the prior written consent of P&WCL.

25. ENTIRE AGREEMENT

The Agreement contains the entire agreement between the Parties with regard to the subject matter hereof and supersedes all previous agreements or understandings, whether oral or in writing. Any amendment must be in writing signed by duly authorized representatives of each Party. Purchase orders or any other document issued by Customer in connection with the Agreement are deemed to incorporate the terms and conditions contained herein, to the exclusion of Customer's purchase orders (or those of its authorized agent, if applicable), or documents which will be deemed to have been issued for administrative purposes only.

26. GOVERNING LAW

This Contract, including appendices, and all matters relating to this Contract (whether in contract, statute, tort (such as negligence), or otherwise) shall be governed by, and construed in accordance with, the laws of the State of Florida. Venue shall be Miami-Dade County.

27. ADDITIONAL TERMS

Section 30, "AUDITS", Section 31, "VENDOR REGISTRATION/CONFLICT OF INTEREST", Section 32, "INSPECTOR GENERAL REVIEWS", Section 33, "COUNTY USER ACCES PROGRAM (UAP)", Section 34, "PUBLIC RECORDS AND CONTRACTS FOR SERVICES PERFORMED ON BEHALF OF MIAMI-DADE COUNTY", Section 35, "VERIFICATION OF EMPLOYMENT ELIGIBILITY", and Section 36, "FIRST SOURCE HIRING REFERRAL PROGRAM", of the Fleet Management Program Agreement are hereby incorporated into this Engine Lease Agreement by reference.