

K22-1280

THE CITY OF NEW ORLEANS

**SUPPORT BY THE HOUR AGREEMENT
COMPLETE ENGINE MAINTENANCE
STANDARD EXCHANGE
FOR SAFRAN HELICOPTER ENGINES GAS
TURBINE
ARRIUS 2R ENGINES
ESN 54313**

Agreement No. 22.122.SBH

The City of New Orleans
Brass# 4319; K22-1280

SafranHE USA

Agreement N° 22.121.SBH

City of New Orleans _____

SafranHE AG

This *Support By the Hour* Agreement (the "Agreement") is made by and between:

Safran Helicopter Engines USA, Inc (SafranHE USA),

A company incorporated under the Laws of United States of America with registration number 75-1711969 and whose registered office is at 2709 Forum Drive, Grand Prairie, Texas 75052, United States of America, and represented by Mr. Thierry DERRIEN acting as President & Chief Executive Officer.

On the one hand,

And

The City of New Orleans: Mosquito, Termite, & Rodent Control Board

A political subdivision/governmental municipality, incorporated under the Laws of United States of America and the State of Louisiana and whose registered office is at 2100 Leon C. Simon Dr., 70122, New Orleans, Louisiana, United States of America and represented by the Honorable LaToya CANTRELL acting as Mayor .

On the other hand,

Hereinafter collectively referred to as "the Parties" or individually as "the Party".

WHEREAS, SafranHE USA is engaged in the business of providing services of maintenance of aeronautical engines; and

WHEREAS, The City of New Orleans desires to limit major engine maintenance expenses, and SafranHE USA desires to provide the opportunity to The City of New Orleans to limit major engine maintenance expenses through the assessment of monthly charges based on a fixed rate for each hour of equipment operation.

NOW, THEREFORE, in consideration of the mutual covenants and undertakings contained herein, and subject to and on the terms and conditions set forth in this Agreement; the Parties agree as follows:

The City of New Orleans
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SafranHE USA

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ARTICLE 1 – DEFINITIONS

"ACCESSORY" means any Engine accessory or item of Equipment as defined in Appendix B.

"AFFILIATE" means any person (natural or legal entity) who directly or indirectly, controls, is controlled by or is under the same control as Safran Helicopter Engines.

"AGREEMENT" means the present Support by the Hour agreement, including its appendices and any amendment thereof.

"AIRCRAFT" means the BH505, aircraft S/N 65443 that Covered Equipment is installed in, as identified in Appendix A.

"AIRCRAFT ON GROUND" or "AOG" is a situation where the Covered Equipment is unable to remain in service or is ineligible for return to service.

"BUY IN FEE" means the fee which corresponds to the Operating Hours and Cycles already consumed, prior to the signature of the Agreement and/or any amendment thereof, and which has been or shall be invoiced to The City of New Orleans by SafranHE USA as per the Article 11.4 of this Agreement.

"CHANGE IN CONTROL" means control of an entity shall exist through the direct or indirect: control of fifty percent (50%) or more of the nominal value of the issued equity share capital of the entity or of fifty percent (50%) or more of the equity's shares entitling the holders to vote for the election of directors or persons performing similar functions, or right by any other means to elect or appoint directors of the entity (or persons performing similar functions) who have a majority vote.

"CIP" means carriage and insurance paid to a named location, as per ICC Incoterms 2010 issue.

"COMPLETE ENGINE" means all of the modules as an assembly including Hydro Mechanical Unit ("HMU") or Fuel Control Unit ("FCU") and does not include the Engine Electronic Control Unit ("EECU") / Digital Electronic Control ("DECU").

"COMPLETE ENGINE MAINTENANCE" means that in the event The City of New Orleans's Engine requires removal for scheduled or unscheduled maintenance, SafranHE USA (directly or through one of its Affiliates) shall supply The City of New Orleans with a Complete Engine as a Replacement Equipment.

"CONFIDENTIAL INFORMATION" means any and all information disclosed by one Party to another Party, in whatever form and whether disclosed in writing, orally, by electronic means or otherwise provided always that where such Information is disclosed orally, it shall be identified as confidential at the time of disclosure and, within thirty (30) Days thereafter, shall be reduced to writing and communicated to the recipient Party.

"CONSUMABLES" means all expendable material, non-repairable components such as, but not limited to, nuts, bolts, sheet metal work, or low-cost parts such as, but not limited to, packing, gaskets, seals filters, etc.

"CORE UNIT" means Equipment that must be returned to SafranHE USA. This Equipment can be the City of New Orleans's Equipment which is sent for Repair, the Equipment loaned by SafranHE USA or the Repairable Accessory in exchange for the one provided by SafranHE USA as Standard Exchange Equipment.

"COVERED EQUIPMENT" means the Equipment specified in Appendix A hereto and other Equipment included as Covered Equipment in accordance with Article 2.3 hereof.

"CUSTOMER PORTAL" means Safran Helicopter Engines' website (<https://tools.safran-helicopter-engines.com/pg/en/home>).

"CYCLE" means an operational gas generator cycle as reported in the Equipment log book/ log card, in accordance with the Reference Documents. Cycles are recognized since the last general Overhaul (CSO) and since new (CSN).

"D.A.P." means delivery at place, to a named location as per ICC Incoterms 2010 issue.

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"DAY" means calendar day except where expressly specified as business day.

"DESIGNATED CENTER" means any service, support or maintenance facility designated by SafranHE USA to The City of New Orleans where Services may be performed.

"EFFECTIVE DATE" means the date of signature of this Agreement by all Parties.

"EQUIPMENT" means according to context, an Engine, a Module, an Accessory, or any component thereof which is covered by this Agreement as defined in Appendix A and Appendix B hereto, as applicable.

"ENGINE" means a Safran Helicopter Engines gas turbine engine or any other Safran Helicopter Engines branded engine, including its Modules and Accessories, as defined in Appendix A attached hereto.

"EXCLUDED EVENTS" means the supplies and services excluded as specified in Appendix D of this Agreement.

"FCA" means free carrier alongside to a named location as per ICC Incoterms 2010 issue.

"FOREIGN OBJECT DAMAGE (FOD)" means damage to the Engine resulting from the ingestion of any foreign object.

"LEASING EQUIPMENT" means Engine or Module owned by SafranHE USA and provided to The City of New Orleans during the Turn Around Time of Repair or Overhaul. The Engine or Module shall remain SafranHE USA's property during the entire rental period. As soon as The City of New Orleans's Engine or Module is Repaired/Overhauled, the leasing Engine or Module supplied to The City of New Orleans shall be returned to SafranHE USA or Designated Center.

"LEVEL 1 MAINTENANCE" means any maintenance tasks that can be performed on Aircraft and Engine removed from the Aircraft for accessibility reason (excluding tasks that require the removal/installation of a Module) in accordance with the applicable Reference Documents.

"LEVEL 2 MAINTENANCE" means any maintenance tasks requiring removal/installation of a Module in accordance with the applicable Reference Documents.

"LEVEL 3" means deep maintenance, also referred to as Level 3 maintenance of the Equipment while removed from the Aircraft in accordance with the applicable Reference Documents.

"LEVEL 4" means the Overhaul or the Repair of the Equipment or any part thereof performed at SafranHE's facility in accordance with the applicable Reference Documents.

"LIFE-LIMITED PART" means a part which must be changed after its service life has expired.

"LRU" means any engine line replacement unit or item of Equipment as defined in Appendix B hereto.

"MANDATORY BULLETINS" means modifications required by a mandatory service bulletin from Safran Helicopter Engines, modifications required by Safran Helicopter Engines suppliers or required by the applicable NAA. In any case, Mandatory Modifications are limited to the Equipment covered by this Agreement.

"MODULE" means a sub-assembly of the Engine as described in the Engine maintenance manual.

"MODULAR MAINTENANCE" means maintenance performed on Equipment while removed from the Aircraft and in accordance with the applicable Reference Documents.

"NATIONAL AVIATION AUTHORITY" or "NAA" means the aviation authority having jurisdiction over the Engines, such as the Federal Aviation Administration, or the European Aviation Safety Agency, or such other equivalent national aviation authority for that particular The City of New Orleans.

"OEM" means original equipment manufacturer.

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"ON CONDITION EQUIPMENT" means Equipment which is not subject to TBO.

"OPERATING HOUR" means an hour of operation of the Equipment as quoted in the Engine log book and/or Module log card and calculated according to the Reference Documents. Operating Hours are recorded since the last Overhaul (TSO) or since new (TSN) when the Engine/Module has not been previously Overhauled.

"OVERHAUL" whether scheduled or unscheduled, means the work required to enable the Equipment to begin a new TBO period.

"REFERENCE DOCUMENTS" means the following Safran Helicopter Engines documents, and any amendments thereto collectively, "Reference Documents":

- 1) Engine maintenance manual (field or modular maintenance),
- 2) Service letters,
- 3) Safran Helicopter Engines service bulletins,
- 4) Maintenance tools catalog; and
- 5) Maintenance spare parts catalog.

"REPAIR" shall mean the work defined in the Reference Documents which will enable the Equipment to return to service.

"REPLACEMENT EQUIPMENT" means, if included as part of the Service in Article 5.1, Equipment that is used for replacement of Covered Equipment under a Lease agreement or Standard Exchange solution.

"SAFRAN HELICOPTER ENGINES" means Safran Helicopter Engines S.A.S, a French company, having its registered office in avenue Joseph Ziellinski Bordes 64510, France, and being the Engine's OEM.

"SafranHE USA OWNED EQUIPMENT" means Equipment owned by SafranHE USA or one of its Affiliates.

"SCHEDULED REMOVAL" means the removal of Equipment performed in accordance with the time intervals specified in the Safran Helicopter Engines maintenance manual.

"SERVICEABLE EQUIPMENT" means Equipment in airworthy condition as defined by the Reference Documents and the National Aviation Authority.

"SERVICES" means the services provided by SafranHE USA under this Agreement as specified in Article 5 thereof.

"SPARE PART" means spare parts to be used for field and/or modular maintenance procedures. Spare Parts are identified in the spare parts catalog issued by Safran Helicopter Engines.

"STANDARD EXCHANGE" means replacement of malfunctioning Covered Equipment with serviceable, Repaired/Overhauled Equipment in working condition delivered from SafranHE USA stock irrespective of the previous operator, place of operation, reason for its being handed in, operating hours/cycles available, or modification standard. The Standard Exchange Engine supplied shall have a remaining potential at least equal to five hundred (500) hours. In case of termination, expiration of this Agreement or Engine removal, standard exchange means replacement of serviceable Covered Equipment with an Overhauled Engine or repaired Equipment as per article 14.3.1 of this Agreement.

"TBO" means time between Overhaul as defined in the Reference Documents.

"TECHNICAL INFORMATION" means all information of a scientific or technical nature, in any oral, written, or electronic form, including without limitation, all technical data, assessments, reports, advice and recommendations provided by SafranHE USA to The City of New Orleans in the course of the performance of the Services pursuant to this Agreement and any order made hereunder.

"TOOLS" means the tools identified in the Reference Documents.

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"TURN AROUND TIME" or "TAT" means the lead time necessary for SafranHE USA to perform Repair or Overhaul. The Turn Around Time shall be calculated from the receipt of The City of New Orleans's Equipment at the Designated Center until The City of New Orleans's Equipment is ready to leave the said Designated Center in accordance with the applicable Incoterms.

"UNSCHEDULED REMOVAL" means the removal of Equipment performed outside the time intervals or limit intervals as specified in the Reference Documents.

"USAGE REPORT" means a dematerialized chart that enables The City of New Orleans to enter monthly Covered Equipment's operation through Customer Portal.

Note: Words used in the singular shall include plural and vice versa unless contrary intention should appear.

ARTICLE 2 – PURPOSE AND SCOPE OF THE AGREEMENT

- 2.1. **Purpose.** The purpose of this Agreement is to specify the conditions under which SafranHE USA shall provide to The City of New Orleans, and The City of New Orleans shall obtain from SafranHE USA, Services for Covered Equipment, as hereinafter defined, at agreed upon rates and charges set forth in Article 11.
- 2.2. **Scope.** This Agreement only applies to the services listed in Article 5 herein (the "Services") and shall cover such Services for the Covered Equipment defined in Appendix A attached hereto.
- 2.3. **Covered Equipment.** This Agreement applies only to the Covered Equipment listed in Appendix A. The inclusion as Covered Equipment of any Equipment not listed in Appendix A must be made in writing and signed by SafranHE USA and The City of New Orleans.

ARTICLE 3 – DURATION

- 3.1. **Initial Term.** The term of this Agreement shall become effective as of the date of signature by both Parties ("Effective Date") and shall remain in effect for five calendar years from the Effective Date ("Expiration Date").
- 3.2. **Beyond this initial period,** this Agreement shall automatically renew for successive one-year periods unless either party gives the other party written notice, not less than thirty (30) days prior to the expiration of the then current term, of its intention not to renew this Agreement, in which case this Agreement shall terminate as of the end of the then current term.

ARTICLE 4 – CONDITIONS TO QUALIFY FOR THIS AGREEMENT

- 4.1. **Similar Equipment.** As a condition to this Agreement, The City of New Orleans shall enroll under this Agreement any and all Equipment owned or operated by The City of New Orleans that are the same or of similar type to any of the Covered Equipment.
- 4.2. **Condition of Covered Equipment.** The City of New Orleans agrees that all Equipment entering into this Agreement as Covered Equipment shall be in Serviceable Equipment.
- 4.3. **Non-Zero Time Equipment.** Subject to Article 11.4 of this Agreement, The City of New Orleans's non-zero-time Equipment may be included as Covered Equipment after qualification and approval by SafranHE USA. Qualification may consist of a power assurance check and inspection of the Equipment by a SafranHE USA representative (at The City of New Orleans's primary facility) to determine the current condition of the Equipment, the results of which must be acceptable to SafranHE USA. If deemed necessary by SafranHE USA, all Equipment records must also be made available for review at Designated Center and must be acceptable to SafranHE USA after review and prior to coverage.

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ARTICLE 5 – OBLIGATIONS OF SAFRANHE USA AND COVERED SERVICES

5.1. **Covered Services.** SafranHE USA shall provide to The City of New Orleans under the terms and conditions of this Agreement the following Services:

- ✓ Standard Exchange of Engines for Unscheduled Removals requiring Level 3 or 4 maintenance.
- ✓ Standard Exchange of Engines for Scheduled Removals.
- ✓ Replacement of Life-Limited Parts.
- ✓ Modular Engine Maintenance.

The following Services are also covered under this Agreement:

- ✓ Abnormal erosion as described in the Reference Documents and as specified in Appendix C.
- ✓ Consumables and non repairable Accessories as per the Reference Documents and as detailed in Appendix C.
- ✓ Standard Exchange of Repairable Accessories listed in Appendix B.
- ✓ Standard Exchange of Accessories with TBO as per Appendix B.

5.2. **Mandatory Bulletins** are included in the scope of this Agreement.

5.3. SafranHE USA may decide to perform maintenance at the City of New Orleans's primary facility which is not of The City of New Orleans's responsibility under this Agreement as described in the maintenance manual to avoid the exchange or return of Covered Equipment to SafranHE USA. In the event SafranHE USA elects to perform maintenance at The City of New Orleans's facility, SafranHE USA shall bear all related expenses for technician's labor and travel.

5.4. **Premature Wear or Failure.** In the event of a breakdown or deterioration of the Covered Equipment due to defects in design, material, or workmanship in the manufacture, Repair or Overhaul of the Covered Equipment ("Premature Wear or Failure"), SafranHE USA will replace or Repair the Covered Equipment, provided, however, that the choice between replacement or Repair of Covered Equipment shall be made at the sole discretion of SafranHE USA and in accordance with the manufacturer's criteria and specifications.

5.5. SafranHE USA shall have sole discretion in determining the type or the extent of the Service necessary to render the Covered Equipment back to a condition of Serviceable Equipment including choosing whether to Repair, Overhaul or replace such Covered Equipment. In such case, SafranHE USA reserves the right to use new or Serviceable Equipment used replacement parts for such work. Any replacement or Repair shall remain subject to the provisions in Article 11 below.

5.6. **SafranHE USA's Right to Replace Parts.** SafranHE USA reserves the right, at its sole discretion, to use new or serviceable used replacement parts in the course of Repair or Overhaul performed pursuant to this Agreement.

5.7. **List Of Applicable Publications.** Safran HE shall provide free access to the latest revisions of the Reference Documents through the Customer Portal.

5.8. **Update of Covered Equipment documentation.** SafranHE USA shall update the Equipment log book/log card, if required and as required, after a Repair and Overhaul event is performed by SafranHE USA.

5.9. **24/7 Field Representative assistance** is included in the scope of this Agreement.

5.10. **24-hour help line access for troubleshooting** is included in the scope of this Agreement.

5.11. **Quality Assurance and Monitoring.** Services supplied and/or carried out by SafranHE USA shall be in accordance with all applicable law and "EN9100/9110-2000" Standards and under EASA (Part 21G-Part 145) or any other applicable National Aviation Authority certification as previously delivered to SafranHE USA. Without prejudice to SafranHE USA's obligations under this Agreement, all monitoring and acceptance testing are consequently delegated to this organization, in accordance with the applicable NAA regulations.

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- 5.12. **Complete Engine Maintenance under Standard Exchange.** In the event The City of New Orleans's Engine requires removal for scheduled or unscheduled maintenance, SafranHE USA (directly or through one of its Affiliates) shall supply The City of New Orleans with a Complete Engine on a Standard Exchange basis. In the event a Complete Engine is not available and in order to expedite the return of the Engine to service, SafranHE USA shall provide the appropriate Modules required to return the Engine to service. Additionally, SafranHE USA shall send a field technician to perform the disassembly and reassembly of the Engine at SafranHE USA's expense. An engine will not be provided in the event an FCU/HMU requires replacement unless repair and/or overhaul of the engine are required to return the FCU/HMU back to service.
- 5.13. **Not covered Services.** The supplies and services listed in Appendix D are excluded from the scope of this Agreement.

ARTICLE 6 – THE CITY OF NEW ORLEANS'S OBLIGATIONS

- 6.1. **Scheduled Removal.** The City of New Orleans is entitled to remove Serviceable Equipment for a Scheduled Removal when the Equipment reaches the end of its TBO period or is within fifty (50) hours or less from such TBO period. The City of New Orleans is entitled to remove Serviceable Equipment for a Scheduled Removal when the Life Limited Part reaches the end of its initial life limit or is within three percent (3%) thereof.

Customer shall make a request for a Standard Exchange Equipment at the latest two (2) months before the estimated Scheduled Removal date by filling out the Covered Equipment removal report form as per specimen attached in Appendix K. The City of New Orleans shall also place an order as per Article 7 below within the same timeframe stated above.

- 6.2. **Unscheduled Removals.** In the event of an Unscheduled Removal, The City of New Orleans shall perform the relevant troubleshooting prior to removal. The City of New Orleans must obtain the prior written approval of SafranHE USA for any Unscheduled Removal of the Equipment.

The City of New Orleans must report to SafranHE USA within forty-eight (48) hours, the Unscheduled Removals by filling the Covered Equipment removal report form as per specimen attached in Appendix K. The City of New Orleans shall also place an order as per Article 7 below within the same above timeframe.

- 6.3. **Level 1 Maintenance and Level 2 Maintenance.** The City of New Orleans shall be responsible for Level 1 Maintenance of Covered Equipment and the Covered Equipment shall be operated and maintained in accordance with the Reference Documents and by using the specific required tooling specified in such Reference Documents.

- 6.4. **Any maintenance operation performed by The City of New Orleans** must be performed by technicians qualified by SafranHE USA or Safran Helicopter Engines. Technicians' qualification level must be compliant with the Reference Documents.

- 6.5. **Reporting and Records.**

- 6.5.1. **Country of operation.** The City of New Orleans declared operating the Covered Equipment in the United States of America. Any change of country of operation shall be subject to an amendment as per Article 17.2.

- 6.5.2. **Monthly Report.** Each month The City of New Orleans shall complete the Usage Report form through Customer Portal and provide it to SafranHE USA, as of the last Day of the prior calendar month. The Usage Report must be received by SafranHE USA by the tenth (10th) Day of the month. In the event that The City of New Orleans is not able to complete and provide the Usage Report or connect to Customer Portal, The City of New Orleans may submit to SafranHE USA a written report in the form of Appendix I.

- 6.5.3. **Notice of Incident or Accident.** The City of New Orleans agrees to inform a SafranHE USA representative within twenty-four (24) hours of any incident or accident occurring to, or caused by, the Covered Equipment or any other SafranHE USA Owned Equipment in the custody of The City

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of New Orleans. A written report shall be submitted as soon as practical. Notice must precede return of any failed Equipment to SafranHE USA.

- 6.5.4. **Recordkeeping.** Covered Equipment or component documentation such as log book/ log card, module sheets and component log cards shall be fully maintained in an up-to-date status by The City of New Orleans.
- 6.5.5. **Operation and Maintenance Records.** The City of New Orleans shall keep records of Covered Equipment operation, maintenance and running time, and shall permit SafranHE USA to inspect and copy such records at any reasonable time upon request.
- 6.5.6. **Power Check.** When a Standard Exchange is performed pursuant to this Agreement, The City of New Orleans shall provide to SafranHE USA the last Engine power check in compliance with its flight manual. Such recordings shall be provided to SafranHE USA with the same timeframes as specified in Article 9 below.
- 6.6. **Ownership.** The City of New Orleans hereby certifies and further warrants that it has good and clear ownership to the Equipment covered by this Agreement and warrants that such Equipment is free and clear of all liens, charges, mortgages or encumbrances and rights of others of any kind whatsoever and The City of New Orleans shall fully indemnify and hold SafranHE USA harmless in this regard. The City of New Orleans shall not, except in compliance with Article 17.1 (Sole Agreement) and Article 15 (Assignment) below:
- Make or suffer to be made any change in the ownership, leasehold, utilization of the Equipment or any Aircraft on which the Equipment is installed, without prior written notice to SafranHE USA; and/or
 - Undertake any act that would result in the imposition of any lien, security interest or other encumbrance on any Equipment Owned by Safran Helicopter Engines or SafranHE USA.

Non-modification of Equipment. The City of New Orleans shall not make any modification or carry out any action not provided for in the Reference Documents on the Covered Equipment or on SafranHE USA Owned Equipment without prior written agreement and approval by SafranHE USA. Such agreement and approval shall not be unreasonably withheld. However, The City of New Orleans may modify Covered Equipment when required by the National Aviation Authority after providing prior written notice to SafranHE USA.

Scheduled Removal program. The City of New Orleans shall be responsible for planning the Scheduled Removal of its Equipment as follows:

- The estimated Scheduled Removal program for the next twelve months using the specimen form attached in Appendix J shall be sent quarterly (1st of January, 1st of April, 1st of July and 1st of October) to SafranHE USA's Commercial Department as defined in Appendix J.
- As a rule, The City of New Orleans shall advise SafranHE USA as soon as reasonably possible of any change in the Scheduled Removal program.

ARTICLE 7 – ORDERS

- 7.1. **Orders.** Whenever Equipment needs to be replaced, Repaired or Overhauled, The City of New Orleans shall notify SafranHE USA in writing and submit a purchase order containing the following information:
- 1) The SBH Agreement reference,
 - 2) The type, serial number, and version of the Aircraft from which the Equipment is removed,
 - 3) The type, serial number, and version of the Equipment,

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- 4) The part number, the serial number, and the description of the removed Equipment. For an Engine removal it is required to provide part number and serial number of each Module and FCU or HMU,
- 5) The part number, the serial number, and the description of SafranHE USA consignment equipment installed when applicable,
- 6) The number of Operating Hours and/or Cycles. For an Engine removal it is required to provide number of Operating Hours and/or Cycles for each Module and FCU or HMU,
- 7) Quantity required,
- 8) Release certification required,
- 9) Reason for removal,
- 10) Required delivery date, applicable Incoterms, and place of delivery.

7.2. **Order Acknowledgment.** Unless specified otherwise in this Agreement, an acknowledgement of receipt of order shall be duly filled in, signed, and returned to The City of New Orleans within two (2) business days from receipt of the order, or within twenty-four (24) hours in AOG situation.

ARTICLE 8 – DELIVERY BY SAFRANHE USA

8.1. Conditions of Shipment to The City of New Orleans.

Unless otherwise specified in an order, Equipment deliveries by SafranHE USA to The City of New Orleans shall be made according to DAP The City of New Orleans premises (INCOTERM ICC issue 2010) and in packaging which conforms to the manufacturer's specification.

8.2. Delivery lead-times

In the case of scheduled removal of Covered Equipment pursuant to this Agreement, SafranHE USA will ensure that Replacement Equipment delivery to The City of New Orleans will take place within seven (7) Days before the final removal date agreed by the Parties, so long as the purchase order for such Replacement Equipment was received by SafranHE USA at least sixty (60) Days in advance of the forecasted scheduled removal date.

In the event of an Unscheduled Removal of the Equipment that does not require a replacement under A.O.G. situations, SafranHE USA shall deliver Replacement Equipment within five (5) Days from receipt of The City of New Orleans's order.

In A.O.G situations, SafranHE USA shall deliver a Replacement Equipment within twenty-four hours (24) following receipt of a written order duly completed by The City of New Orleans. The AOG situation must be confirmed by SafranHE USA.

8.3. Lack of performance from SafranHE USA

If SafranHE USA fails to deliver the Equipment within the lead times specified above, then SafranHE USA shall be liable, starting the first Day of delay, without any further notice, to a daily fee equal to:

- three hundred US Dollars (300 USD) for Engines and Modules and/or
- one hundred US Dollars (100 USD) for FCU, HMU, EECU;

These daily fees shall be limited to a maximum of thirty (30) Days. The daily fees shall be paid to The City of New Orleans by issuance of a credit note and applied to The City of New Orleans's trade account.

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However, in the event The City of New Orleans has not provided SafranHE USA with its Order and fully complied with the reporting requirements specified in Appendix K. SafranHE USA shall not be bound by the lead times set out in this sub-Article.

- 8.4. **Property Rights on Covered Equipment.** Standard Exchanged Equipment sent to the City of New Orleans becomes the property of the City of New Orleans or Owner, upon fitted on the Aircraft and completion of a Standard Exchange Certificate of Title Transfer as referenced in Appendix H attached hereto. Such Standard Exchange Equipment shall be delivered free and clear of all liens, charges, mortgages or encumbrances and rights of others of any kind whatsoever and the delivering Party shall fully indemnify and hold the other Party harmless in this regard. Notwithstanding the above, in the case that the Standard Exchange covers a Complete Engine, the Engine shall become the property of The City of New Orleans or Owner upon completion and signature of a Certificate of Title Transfer as referenced in Appendix H which shall be done forty-eight (48) hours from the physical exchange of the Engine.
- 8.5. **Risk of loss or damage** shall pass upon delivery according to the applicable Incoterm.

ARTICLE 9 – RETURN OF EQUIPMENT TO SAFRANHE USA

- 9.1. The Core Unit removal shall be performed as defined by the Reference Documents.
- 9.2. **Delivery to SafranHE USA.** Equipment deliveries by The City of New Orleans to SafranHE USA shall be made FCA The City of New Orleans premises (Incoterms issue 2010) and in packaging which conforms to the manufacturer's specification. The City of New Orleans shall provide SafranHE USA as soon as the information is available with all transport details, such as but not limited to the exact transfer point of the applicable bill of transport, any forwarding agent details.
- 9.3. **Documentation.** Any Covered Equipment delivered to SafranHE USA pursuant to this Agreement is to be accompanied by complete and up to date documentation.
- 9.4. **Covered Equipment.** For Engines and Modules, documentation shall include a copy of the EASA Form One or FAA or applicable certification, the shipping documents, the Engine or Module logbook together with its appendices and, the City of New Orleans's order and the Covered Equipment removal report reference fully updated in accordance with Appendix K).
- 9.5. **Return lead time.** Any Covered Equipment delivered to SafranHE USA pursuant to this Agreement must be complete, including its documentation as stated in Article 9.3 above, and must be delivered three (3) Days counting from the day the Replacement Equipment is received by The City of New Orleans in accordance with Article 8 (Delivery).
- 9.6. **Additional fee/Incentive.** If The City of New Orleans fails to deliver the Equipment within the above mentioned lead time plus five (5) Days counting from the Day the Replacement Equipment is received by The City of New Orleans in accordance with Article 8 (Delivery), then The City of New Orleans shall be liable, without any further notice, to a daily fee equal to three hundred US Dollars (300 USD) for Engines and Modules, or/and one hundred US Dollars (100 USD) for any other material starting the first Day of delay. In this case, SafranHE USA will issue a supplementary invoice.

If The City of New Orleans delivers the Equipment one (1) Day earlier or more than the lead times specified in sub-article 9.5 above, then SafranHE USA shall grant The City of New Orleans a credit note of three hundred US Dollars (300 USD) for Engines and Modules, or/and one hundred US Dollars (100 USD) for FCU, HMU, EECU Accessories for each Day of advance delivery. In this case, SafranHE USA will issue a credit note.

In the event The City of New Orleans does not return the Core Unit within one hundred eighty (180) Days then SafranHE USA shall be entitled to invoice The City of New Orleans for the delivered Replacement Equipment using the second-hand sales price.

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- 9.7. **Property Rights on Covered Equipment.** Covered Equipment under Standard Exchange becomes the property of SafranHE USA upon its removal from the City of New Orleans's Aircraft and completion of a Standard Exchange Certificate of Title Transfer as referenced in Appendix H attached hereto. Such Equipment shall be delivered free and clear of all liens, charges, mortgages or encumbrances and rights of others of any kind whatsoever and the delivering Party shall fully indemnify and hold the other Party harmless in this regard.
- 9.8. **Risk of loss or damage** shall pass upon delivery according to the applicable Incoterm.

ARTICLE 10 – WARRANTY, INDEMNIFICATION, LIABILITY, AND INSURANCE

10.1. WARRANTY

The City of New Orleans accepts and agrees that the only warranty provided by SafranHE USA as to the Equipment and Services covered and supplied under this Agreement shall be to provide the Services for the duration of this Agreement.

It is expressly agreed between The City of New Orleans and SafranHE USA that the benefits of the warranties granted by SafranHE USA to The City of New Orleans pursuant to this Article in relation to the Services and Equipment provided pursuant to this Agreement are to the extent permitted by law in lieu of any and all warranties whatsoever expressed or implied granted by Safran Helicopter Engines on the Equipment under the initial sale of said Equipment to The City of New Orleans, all other warranties, whether written, oral, expressed, implied or statutory (including, without limitation, any warranty of merchantability and fitness for particular purpose or against hidden, concealed or latent defect).

However, upon termination or Expiry of this Agreement, the warranty provisions, as granted by Safran Helicopter Engines (or any of its Affiliates, as applicable) on the Equipment under the corresponding sale thereof, shall apply for the remaining period of warranty if any. For the avoidance of doubt, it means that for the Services not covered and supplied under this Agreement The City of New Orleans shall be covered by the warranty according to Safran Helicopter Engines Warranties Conditions.

10.2. WAIVER/DISCLAIMER

INITIAL

EXCEPT FOR THE LIMITED WARRANTY DESCRIBED IN ARTICLE 10.1, SAFRANHE USA DISCLAIMS ALL WARRANTIES OF ANY KIND, WHETHER STATUTORY, EXPRESS, OR IMPLIED (INCLUDING, BUT NOT LIMITED TO, WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE), AND ALL SUCH WARRANTIES ARE EXCLUDED FROM THIS AGREEMENT.

10.3. INDEMNIFICATION

INITIAL

The City of New Orleans agrees to indemnify, defend and hold SafranHE USA and its Affiliates and/or insurers harmless from and against all costs, losses, expenses (including attorneys' and experts' fees), liability, causes of action, and claims of any nature arising out of the use of Equipment by the City of New Orleans. This provision will survive expiration or termination of the Agreement.

10.4. LIMITATION OF LIABILITY

- 10.4.1. The liability of SafranHE USA with respect to this Agreement, or anything done in connection herewith such as the performance or breach thereof, or from the manufacture, installation or technical direction of installation, maintenance, repair, or use of any Equipment covered by or furnished under this Agreement, whether in contract, in tort, under any warranty, or otherwise, is limited to the repair or replacement, at SafranHE USA's election, of the Equipment on which liability is based.

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- 10.4.2. In no event will SafranHE USA be liable for any incidental, consequential, special, punitive, or indirect damages, including but not limited to loss of profits, loss of revenue, loss of contract, loss of business opportunity or loss of use (including use of Aircraft or use of the Covered Equipment) whether asserted by The City of New Orleans or any third party even if informed of the possibility of such damages. For the avoidance of doubt, damage to the Aircraft or third parties shall be considered consequential damages.

10.5. INSURANCE

- 10.5.1. The City of New Orleans shall take out and maintain in force at least the following insurances and amounts:

- Workers' Compensation and Employers Liability insurance
For all its employees engaged in performing obligations under this Agreement, workers' compensation and employers' liability insurance or similar insurance in accordance with applicable law, which may be applicable to those employees.
- Aircraft Third Party Liability Insurance
The City of New Orleans shall maintain comprehensive aircraft third party liability insurance for an amount of not less than ten million US dollars (10,000,000.00 USD) for an amount of not less than ten million US dollars (10,000,000.00 USD) for any one occurrence and aggregate per year.
- Hangar Keeper's Liability Insurance or Property on Care or Custody Insurance
The City of New Orleans shall affect and maintain Hangar Keeper's Liability Insurance or Property on Care or Custody Insurance. The amount of such insurance cover shall at least be equal to the full replacement value of all SafranHE USA Owned Equipment under the custody and care of The City of New Orleans.

SafranHE USA and its affiliates must be added as additional insured and shall receive at least thirty (30) Days' prior notice in the event of cancellation or modification to the policy limits. The policies shall be primary in the event of loss and a provision must be made indicating that where there is more than one insured the policy shall respond as if each were separately insured.

- 10.5.2. Upon request by SafranHE USA, The City of New Orleans shall provide certificates of insurance as per the above Articles.
- 10.5.3. The Parties further agree that the minimum insurance requirements as set forth above shall not limit or waive a Party's legal or contractual responsibilities to the other Party or others.
- 10.5.4. All insurance policies referred to in this article 10.5 shall contain the indemnity and hold harmless provisions contained under this article 10 in favor of SafranHE USA, its affiliates and their officers, directors, employees, and insurers. The City of New Orleans shall supply SafranHE USA with certificates of insurance evidencing that such indemnity and hold harmless provisions are agreed by The City of New Orleans's insurers.

ARTICLE 11 – PRICING CONDITIONS

- 11.1. **Hourly and Cycle Rate.** In consideration of the Services provided by SafranHE USA under this Agreement, The City of New Orleans shall pay SafranHE USA an Hourly rate and a Cycle rate (excluding VAT) for every Operating Hour and Cycle of the Equipment covered under this Agreement which is as set forth in Appendix E (hereinafter referred to as "Hourly and Cycle Rate" where appropriate). During Repair of Equipment, The City of New Orleans shall continue to pay the same Hourly and Cycle Rate for the hours and cycles

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consumed with the Replacement Equipment. For avoidance of doubt, the Hourly and Cycle Rate already takes into account Safran Helicopter Engines objective of matured T.B.O, for the Covered Equipment.

11.2. **Revision.** The Hourly and Cycle Rate is valid for the current calendar year and shall be revised on the first of January of each subsequent calendar year, according to the terms defined in Appendix E hereto.

11.3. **Additional charges**

11.3.1. **Balance Between Hours Declared and Hours Logged.** When Covered Equipment is returned to SafranHE USA, if the Operating Hours declared and paid disagree with the entries in the log book or log card, SafranHE USA shall issue an invoice adjustment applying the Hourly Rate in effect at the time of adjustment to the difference in Operating Hours.

11.3.2. **Balance Between Cycles Declared and Cycles Logged.** When Covered Equipment is returned to SafranHE USA, if the total Cycles declared and paid disagree with the entries in the log book or log card, SafranHE USA shall issue an invoice adjustment applying the Cycle Rate in effect at the time of adjustment to the difference in Cycles.

11.3.3. **Premature Overhaul.** Whenever a Scheduled Removal does not occur within the timeframes specified in Article 6.1 above, an additional invoice shall be issued.

Additional invoice = Hourly Rate x (TBO remaining - 50 hours) * Equivalent Engine (EQE)

11.3.4. **Additional invoicing linked to non-covered services.**

Exclusions. Except as may be otherwise provided herein, this Agreement specifically excludes from coverage the repair or replacement of Covered Equipment or unserviceable Equipment following Standard Exchange procedure due to causes beyond normal wear and tear, as well as the excluded events listed in Appendix D.

SafranHE USA Discovery of Exclusion. SafranHE USA shall advise The City of New Orleans upon the discovery of any observed damage to Covered Equipment or unserviceable Equipment following Standard Exchange procedure, which appears to have been caused by any of the reasons, set forth in Appendix D (Excluded Events). In such cases, The City of New Orleans shall be responsible for the parts and labor costs of any such Repair or replacement of the Covered Equipment or unserviceable Equipment following Standard Exchange procedure ("Excluded Costs") actually caused by any of the reasons set forth in Appendix D (Excluded Events), and reimbursement to SafranHE USA of the Excluded Costs shall be made by The City of New Orleans in addition to other payments made pursuant to this Agreement.

Invoicing and Adjustments Upon Discovery of Exclusion. To take into account the normal wear and tear of some items which are covered in the rate, a credit note will be granted to The City of New Orleans on the amount invoiced for each item that is prematurely replaced for abnormal wear, except in cases of modification of Covered Equipment or unserviceable Equipment following Standard Exchange procedure. This credit note will apply only to major items whose list price is greater than or equal to six thousand dollars (6,000.00 USD), based on current economic conditions. This value will be revised according to the current economic conditions. The credit note will be calculated as follows:

• If the item has a life or use limit:

CREDIT NOTE = $\frac{\text{ITEM PRICE}}{\text{LIFE LIMIT}} \times \text{SERVICE LIFE LIMIT ELAPSED AT TIME OF ITS REPLACEMENT}$

• If the item has no life or use limit:

CREDIT NOTE = $\text{ITEM PRICE} \times 35\% \times \text{TSO}$

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TBO

11.3.5. Miscellaneous Expenses.

- 1) **Missing Parts or Packaging.** In the event Covered Equipment is delivered to SafranHE USA which is not complete because it is missing parts or components, SafranHE USA will replace any missing parts or components and shall be entitled to charge The City of New Orleans in accordance with the catalogue price list in force.
- 2) **Missing Documents.** In the event the Covered Equipment is delivered to SafranHE USA and not accompanied with the required documents as per Article 9.3, SafranHE USA shall be entitled to charge The City of New Orleans for all associated costs for obtaining or creating new documents.
- 3) **Labor and Transportation.** Unless otherwise agreed in this Agreement, The City of New Orleans agrees to bear all labor and transportation costs for the removal, installation, and troubleshooting.
- 4) **Unscheduled Removal not approved by SafranHE USA representative.** In the event removal of the Covered Equipment is not confirmed by a SafranHE USA representative, SafranHE USA shall charge The City of New Orleans for all associated removal and maintenance costs.

- 11.4. **Purchase of Used Hours and Cycles.** With respect to non-covered, non-zero time Equipment requested to be covered by this Agreement (which has not been previously covered by an SBH program, and transferred accordingly), The City of New Orleans shall be required to purchase the used hours and Cycles for a fee set forth in Appendix F ("Buy-In Fee") based on the number of Operating Hours and Cycles consumed since last Overhaul or where the Equipment has not yet been subject to Overhaul, since first date of entry into operation, prior to the incorporation of The City of New Orleans's Equipment in this Agreement.

For the avoidance of doubt, all Operating Hours and Cycles of each Equipment covered by this Agreement are taken into account, since new or last Overhaul whether the Engine is in service or used as Spare with the exception of Operating Hours and Cycles run during Engine test bench, prior to the Equipment being delivered to The City of New Orleans as brand new or overhauled Equipment.

Appendix F, which is incorporated herein by reference, sets forth the City of New Orleans's Engines buy-in calculation, amount, and payment terms with respect to any purchase of used hours and Cycles under this Article 11.4.

Should any Removal for Services occur prior to payment of the Buy-In Fee in full by The City of New Orleans, The City of New Orleans understands and agrees to pay SafranHE USA, without any further notice, such fee in full prior to any such Services being commenced. In the event the Buy-In Fee is not paid in full, SafranHE USA does not have any obligations under this Agreement to provide Services and shall be entitled, as of right, to terminate this Agreement under Article 14 below (Termination).

ARTICLE 12 – CONDITIONS FOR PAYMENT**12.1. General conditions**

- 1) **Payment Address.** The City of New Orleans shall send all payments due under this Agreement electronically to the following bank's account:

SafranHE USA
EUR Current Account:
Citibank N.A.

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One Penns Way
New Castle, DE 19720
Account# 38859937
ABA# 031100209

- 2) **Payment references.** Each payment should indicate the Covered Equipment serial numbers and the invoice numbers that it covers.
- 3) **Currency.** The City of New Orleans shall settle SafranHE USA's invoices in US Dollars (USD) currency.
- 4) **Payment lead time.** Each invoice shall be due within thirty (30) Days from the invoice date.
- 5) **Disputed invoices.** The City of New Orleans shall notify SafranHE USA in writing if an invoice is disputed within fifteen (15) Days of receipt of invoice. Such invoice shall remain payable in accordance with this article 12. Invoices not disputed within this period shall be deemed to be valid.
- 6) **Outstanding invoices.** In the event invoices are not paid within thirty (30) Days, SafranHE USA may suspend coverage under this Agreement without need for notice until full payment of the amount due has been received from The City of New Orleans. If coverage is suspended, The City of New Orleans shall not be entitled to claim any damage or loss resulting directly or indirectly from suspension. Furthermore, SafranHE USA shall be entitled to terminate this Agreement in accordance with Article 14 below.
- 7) **Interest for late payment.** Interest on all amounts past due shall be invoiced and paid at the rate of eighteen percent (18%) per annum, or (if less than eighteen percent (18%) per annum) the maximum amount permitted by applicable law.
- 8) The City of New Orleans shall be responsible for all sums, including attorney's fees, reasonably incurred by SafranHE USA as a result of The City of New Orleans's default in settling any invoice or invoice installment when due.

12.2. Invoicing's method

The City of New Orleans will be invoiced and shall pay to SafranHE USA monthly, an amount equal to the Hourly and Cycle Rate multiplied by the actual hours and Cycle of Covered Equipment operation as set forth in the monthly report and specified in this Agreement, plus any supplemental fees and other charges that may be applicable in accordance with this Agreement.

12.3. Reconciliation

In the event The City of New Orleans does not provide SafranHE USA with a monthly report of Operating Hours and Cycles consumed in accordance with Article 6.5.2 above, SafranHE USA shall invoice The City of New Orleans with the same amount as the previous month. In case it happens the first month following the execution of this Agreement then SafranHE USA shall invoice The City of New Orleans according to the estimated monthly flown hours. Then SafranHE USA shall reconcile the invoice on the following month.

12.4. Taxes

Taxes, Duties, or charges

The Hourly and Cycle Rate is quoted before tax in accordance with article 12 above. In addition to the Hourly and Cycle Rate, The City of New Orleans agrees to pay, upon demand, all taxes (including, without limitation, sales, use, excise, turnover or value added taxes), duties, fees, charges, or assessments of any nature (but excluding any income taxes) (hereinafter "Taxes") assessed or levied in connection with the performance of the Agreement.

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Where The City of New Orleans is liable to Value Added Tax, this shall be payable along with the settlement of each invoice, according to the VAT regulation in force. The City of New Orleans shall notify to SafranHE USA its VAT Code, if necessary.

Reimbursement / Refund.

If payment of any such Taxes is made by SafranHE USA, The City of New Orleans will reimburse SafranHE USA upon demand, such reimbursement including, inter alia, penalties and interests which could have been levied against SafranHE USA. The City of New Orleans will use reasonable efforts to obtain a refund thereof. If all or any part of any such Taxes is refunded to SafranHE USA, SafranHE USA will repay to The City of New Orleans such part thereof as SafranHE USA was refunded.

Withholdings.

All payments by The City of New Orleans to SafranHE USA (or the applicable affiliated company) under this Agreement shall be free of all withholdings of any nature whatsoever except to the extent otherwise required by law, and if any such withholding is so required, The City of New Orleans shall promptly notify SafranHE USA by written notification and will pay an additional amount such that after the deduction of all amounts required to be withheld, the net amount received by SafranHE USA will equal the amount that SafranHE USA would have received if such withholding had not been acquired.

If the aforementioned mechanism contradicts the law of United States of America, the Parties shall amend this Agreement in order to increase the respective prices and amounts provided for by this Agreement so that the initial prices and amounts are preserved.

ARTICLE 13 – IMPORT & EXPORT CONTROL

- 13.1. The Party which is exporting in the case of exports, and the Party, which is importing in the case of imports, shall be responsible for obtaining all necessary licenses, or other governmental authorizations required in connection with any export, re-export, or imports, as the case may be, under this Agreement.
- 13.2. The Parties will cooperate with each other in securing any such licenses or governmental authorizations as may be required.
- 13.3. The Party which is importing shall provide the Party which is exporting the final destination of the item whenever such destination differs from the contracted delivery address.
- 13.4. Any license or authorization, if required, shall be in accordance with the rules and regulations set out by the relevant governmental authorities.
- 13.5. The Party responsible for obtaining such license or authorization pursuant to Article 13.1 shall use all reasonable endeavors to secure all necessary governmental approvals (including any necessary export and re-export, and/or import licenses). However, the refusal or withdrawal or suspension of such a license or authorization shall constitute a Force Majeure event (as defined in Article 17.12 hereunder) provided that reasonable endeavors have been used to secure and maintain the said license or authorization.
- 13.6. The City of New Orleans undertakes not to sell, lend, or deliver to any third party under any conditions whatsoever, with or without compensation, temporarily or permanently, the supplies which are the subject of this Agreement (including Equipment, Standard Exchange Equipment, Tools, and Spare Parts), documentation, operating manuals and information in any way whatsoever related to this Agreement otherwise than in strict compliance with the applicable export control regulations.

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- 13.7. Any government fees or charges in connection with obtaining required licenses or authorizations shall be the responsibility of the Party which is exporting in the case of exports, and the Party which is importing in the case of imports, the products, services, or technical data.
- 13.8. The Equipment may have an US classification or may contain US origin parts and are authorized for export by the US Government according to the relevant laws, regulations, or orders. They may not be resold, diverted, transferred, transshipped, or otherwise be disposed of in any country, either in their original form or after being incorporated through an intermediate process into other end-items, without the prior written approval of the US Department of State.
For all Equipment under this Agreement, The City of New Orleans shall notify SafranHE USA of any anticipated re-export or trans-shipment through any country other than United States of America.
The City of New Orleans confirms that the Equipment or information received from SafranHE USA, will not be used for any purpose associated with chemical, biological or nuclear weapons or missiles capable of delivering such weapons, nor will they be re-sold and/or re-transferred if The City of New Orleans knows or suspects that they are intended or likely to be used for such purposes.
- 13.9. The Parties shall not supply any Equipment, disclose any information, or provide any service in any manner contrary to the laws and regulations of the United States of America or any applicable non-U.S. export laws and regulations. The Equipment, information, and services that the Parties may wish to disclose or provide pursuant to this Agreement may be subject to the provisions of the Export Administration Act of 1979 (50 USC 2401 et seq.), the Export Administration Regulations promulgated hereunder (15 CFR 768-799) or U.S. Arms Export Control Act (22 USC 2778 et seq.) and the International Traffic in Arms Regulations (22 CFR 120-128 and 130). The Parties acknowledge that these statutes and regulations impose restrictions on the import, export, transfer and re-transfer to third countries of certain categories of assets, data, services and articles, and that licenses from the US Department of State and/or the US Department of Commerce may be required before such assets, data, services, and articles can be disclosed or provided hereunder, and that such licenses may impose further restrictions on use and further disclosure of such assets, data, services and articles. Disclosure or transfer of such assets, data, services, and articles to foreign persons is subject to the above regulations regardless of whether the export occurs in the US or abroad.
- 13.10. **THE PARTY REQUIRED TO OBTAIN ANY REQUIRED EXPORT LICENSE OR AUTHORIZATION SHALL INDEMNIFY AND HOLD THE OTHER PARTY HARMLESS FROM ALL CLAIMS, DEMANDS, DAMAGES, COSTS, FINES, PENALTIES, ATTORNEYS' FEES AND**

OTHER EXPENSES ARISING FROM FAILURE TO RESPECT THE OBLIGATIONS RELATED TO SUCH LICENSE OR OTHER AUTHORIZATION.

ARTICLE 14 – TERMINATION

14.1. Reasons for termination

Convenience. This Agreement may be unilaterally terminated by either party hereto, without cause, upon sixty (60) Days prior written notice (the "Termination Notice") to the other party.

Loss or sale of Covered Equipment. In the event Covered Equipment is lost or destroyed or sold and if no other Equipment remains covered, the Agreement will be deemed "Terminated" as of the date of loss or sale.

Default. If The City of New Orleans or SafranHE USA fails to comply with any of the terms or provisions of this Agreement within thirty (30) Days of receipt of written notice of any such default, the other Party may, without prejudice to its other rights and remedies, terminate this Agreement by written notice to the defaulting Party.

Notwithstanding the above and if The City of New Orleans does not perform its obligations, SafranHE USA reserves the right to suspend the performance of any Services under this Agreement. If the performance of any Services is suspended, The City of New Orleans shall not be entitled to claim any damage or loss resulting directly or indirectly from such suspension

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Bankruptcy. Without prejudice to its other rights and remedies and unless otherwise specified by law, a Party may immediately terminate this Agreement by written notice if the other Party enters into bankruptcy or liquidation proceedings or becomes unable to pay its debts as they come due or if there is a Change In Control of the Party.

Force Majeure. If any Party remains affected by a Force Majeure event (as defined below) for more than one hundred and twenty (120) Days, then the other Party may immediately terminate this Agreement by serving a written notice of termination to the affected Party, without any Party incurring any liability whatsoever.

14.2. Consequences of termination

14.2.1 The City of New Orleans duties upon termination. Within fifteen (15) business days after the Termination Date, The City of New Orleans must, at its own's expenses, return any and all Equipment and supplies belonging to SafranHE USA to the SafranHE USA Shipping Address, DAP SafranHE USA Designated Center. If The City of New Orleans fails to return Equipment and supplies within fifteen (15) business days, then The City of New Orleans will be liable, without any further notice, to a daily fee equal to three hundred US Dollars (300 USD) per day.

In the event, The City of New Orleans does not return any and all Equipment and supplies belonging to SafranHE USA within thirty (30) Days then SafranHE USA shall be entitled to claim to The City of New Orleans the Equipment's and supplies' replacement value.

If the returned SafranHE USA's Equipment is found to be incomplete and/or damaged, then SafranHE USA shall be entitled to claim an amount equivalent to the value of missing parts and/or requested repair.

The City of New Orleans shall also pay in full the accrued amount and outstanding invoices and charges to SafranHE USA under this Agreement.

14.2.2 SafranHE USA duties upon termination. SafranHE USA shall, at The City of New Orleans's expenses, promptly deliver all The City of New Orleans's Equipment and related documentation to The City of New Orleans provided that The City of New Orleans has fulfilled all payment obligations under this Agreement and has returned all SafranHE USA's Equipment.

Upon termination of this Agreement and unless otherwise agreed between the Parties, SafranHE USA shall complete all work in progress in accordance with the terms of this Agreement.

14.3. Financial settlement

14.3.1 Buy out. On termination or expiry of this Agreement or Engine removal from this Agreement, SafranHE USA, at its own discretion, may provide The City of New Orleans for every Engine which is the subject of this Agreement, either:

- (a) an Overhauled Engine or repaired Equipment as Standard Exchange and/or
- (b) a credit note calculated in accordance with Article 14.3.2 below.

14.3.2 Credit note calculation. SafranHE USA shall calculate this credit note in accordance with the methodology described in Appendix F.

14.3.3 Application of credit note. The credit note will first be applied to any outstanding invoices which The City of New Orleans owes to SafranHE USA under this Agreement. Any remaining credit note will be applied as a credit note to The City of New Orleans's trade account with SafranHE USA and shall be used within three (3) years of termination, expiration or removal, unless otherwise agreed by the Parties.

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- 14.3.4 **Timing.** SafranHE USA shall settle the buyout as specified in Article 14.3.1 of this Agreement within six (6) months from the termination or expiration date of this Agreement, unless such time period is extended by mutual agreement of the Parties.
- 14.3.5 **Non-Notification.** In case of non-notification by Customer to SafranHE USA of the sale or lease expiration of the Covered Equipment which prevents The City of New Orleans from having the Covered Equipment available for SafranHE USA to perform a Standard Exchange as per Section 14.3.1, the credit note provided under Section 14.3.1 will be calculated with a fifty percent (50%) deduction.

ARTICLE 15 – ASSIGNMENT AND TRANSFER

- 15.1. The City of New Orleans shall not assign or transfer or subcontract or delegate its rights, benefits, duties, or obligations under this Agreement, whether voluntarily or involuntarily, by operation of law, or otherwise, including to third party operators, without SafranHE USA's prior written consent.
- 15.2. Any sale of the ownership interests (e.g., stock, membership interest, partnership interest, etc.) of The City of New Orleans that results in a loss of control, or any merger, consolidation, reorganization, or other similar transaction of The City of New Orleans will be deemed to be an assignment by operation of law.
- 15.3. Any change of ownership of Covered Equipment will also be deemed to be an assignment by operation of law.
- 15.4. Any attempted assignment or delegation is void without the consent of SafranHE USA.
- 15.5. If The City of New Orleans assigns its rights or sub-contracts or delegates its duties under this Agreement, whether voluntarily or involuntarily or by operation of law, then SafranHE USA, in its sole discretion, may terminate this Agreement, in whole or with respect to an individual piece of Covered Equipment, or declare a breach of this Agreement and terminate the Agreement in accordance with Article 14.1, in addition to any other remedies of SafranHE USA.
- 15.6. SafranHE USA is entitled to assign at any time the benefits, rights, and remedies and/or transfer all or part of its obligations under this Agreement to any of its Affiliates.

SafranHE USA reserves the right, in its sole discretion, to sub-contract any part or all of its obligations under this Agreement or any Order.

ARTICLE 16 – LAW AND JURISDICTION

Jurisdiction and Venue. This Agreement, and any disputes, issues, or disagreements related hereto or arising herefrom shall be interpreted in accordance with and governed by the laws of the State of Texas, without regard to choice of law rules. The Parties consent to the sole jurisdiction and venue in any court of competent jurisdiction in Tarrant County, Texas, and in no other jurisdiction, in any action or proceeding arising out of, or related in any way to, this Agreement.

ARTICLE 17 – MISCELLANEOUS

- 17.1. **Sole Agreement.** There are no other agreements or understandings, either oral or written, between SafranHE USA and The City of New Orleans affecting this Agreement. This Agreement cancels and supersedes all previous agreements between SafranHE USA and The City of New Orleans relating to the subject matters covered herein.
- 17.2. **Amendment.** In the event The City of New Orleans requests additional services which are not covered by this Agreement, the conditions for the performance of such services will be subject to a specific agreement.

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No change, addition to or deletion of any portion of this Agreement shall be valid or binding unless the same is approved in writing by both Parties.

- 17.3. **Language.** The official text of this Agreement is in the English language. If this Agreement is translated into another language for the convenience of The City of New Orleans or its personnel, the English version shall prevail in the event of a dispute arising out of the interpretation of this Agreement.
- 17.4. **Further Actions.** Each of the parties hereto agrees that they will perform all such other actions as may be necessary or reasonably appropriate to carry out the intent and purposes of this Agreement.
- 17.5. **Waiver.** No waiver of any term or condition of this Agreement shall be enforceable unless it is in writing signed by the Party against which it is sought to enforce. The waiver by either party of a breach of any provision of this Agreement by the other shall not operate or be construed as a waiver of any subsequent breach by such other Party.
- 17.6. **Cost of Enforcement.** If any action at law or in equity or any other proceeding is necessary to enforce or interpret the terms of this Agreement, the prevailing party shall be entitled to reasonable attorneys' fees, court costs, and necessary disbursements in addition to any other relief to which he or it may be entitled.
- 17.7. **Severability.** In the event that specific provisions of this Agreement are (or become) legally invalid, unenforceable, or illegal, the validity of the remaining provisions (or the application of such specific provision to other situations and/or circumstances) shall not be affected; and the Parties will endeavor to agree upon new provisions which will reflect as nearly as possible, the intent of the original provisions to replace those which are invalid, unenforceable, or illegal.
- 17.8. **Headings.** The Article headings used in this Agreement are for reference and convenience only and shall not affect the interpretation of this Agreement.
- 17.9. **Gender.** Whenever in this Agreement the context so requires, the male gender shall include the female and the neuter; the female gender shall include the male and the neuter; and the neuter shall include the male and the female.
- 17.10. **Number.** The use in this Agreement of the singular number shall include the plural, and the plural number shall include the singular wherever appropriate.
- 17.11. **Counterparts.** This Agreement may be executed in counterparts, each of which shall constitute an original, but all of which shall constitute one and the same document. For the avoidance of doubt, The City of New Orleans shall send the original executed copy of this Agreement to SafranHE USA within five (5) business days of execution.
- 17.12. **Survivorship.** The rights and obligations of the Parties under this Agreement, which by nature survive any expiration or termination of this Agreement (including without limitation, Article 10, Article 13, Article 14, Article 16, and Article 18), shall remain in force notwithstanding any such expiration or termination.
- 17.13. **Appendices.** All Appendices are expressly made a part of this Agreement.
- 17.14. **Precedence.** In the event of any conflict between the following documents, the order of precedence between them shall be as follows:
- the Order with its acknowledgment;
 - this Agreement without its Appendices;
 - the Appendices.
- 17.15. **Independent Contractors.** Neither Party shall have the right to contract or in any other way to enter into commitments on behalf of or in the name of the other Party and shall not by course of conduct or otherwise hold itself out to any third party as having such authority. The relationship of the Parties under the Agreement shall be that of independent contractors.

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- 17.16. **Force Majeure.** Neither Party shall be liable for failing to perform its obligations under this Agreement or for delay in performing where such failure or delay in performance is due to Force Majeure. Force Majeure means any event which is beyond the reasonable control of a Party including but not limited to acts of war (declared or not declared), civil war, riots, acts of terrorism, natural disasters, floods, earthquake, fires, unusually severe weather, disruption of essential services such as electrical power and broadband network including Internet, quarantine or any precaution taken against contagious, epidemic or pandemic disease, restraints of Government or any competent authority, laws, orders or regulations, industrial actions such as strike, machinery breakdown, computer virus, delays or accidents in the supply of essential raw material or in the dispatch of item related to the Equipment or in the shipment of the same or an exceptional combination of such events. If a Force Majeure event occurs, the affected Party shall notify the other Party within fifteen (15) Days of the occurrence of such event. Such notification shall include at a minimum, the date on which such event commenced, the reasons and the nature thereof, and the estimated duration of the delay. The affected Party shall regularly update the other Party regarding the status of the event and any mitigating action being taken. In the case of Force Majeure, the time for performance shall be extended for a period equal to the time lost by reason of the Force Majeure event. These provisions shall not however relieve a Party from using all commercially reasonable efforts to mitigate the effects of the Force Majeure event, to remove such causes and to resume performance with reasonable dispatch whenever the cause of the Force Majeure stops or is removed; Notwithstanding the foregoing, Force Majeure shall not suspend the liability, for failure to perform, of any payment obligation here under.
- 17.17. **Notifications.** All notices, requests, demands and other communications required or permitted to be given under this Agreement shall be in writing (in English) and shall be conclusively deemed to have been duly given and received (a) when hand delivered; (b) five days after the same have been deposited in a United States post office via certified mail/return receipt requested; (c) the day sent by facsimile transmission or PDF format through electronic mail ("e-mail") if sent prior to 5:00 P.M. (local Dallas, Texas time), provided that a confirmation copy thereof must be sent no later than the business day following the day of such facsimile or e-mail transmission by another acceptable method under this Section 19.11; or (d) the next Business Day after same have been deposited with a national overnight delivery service (e.g., FedEx) - in each case addressed to the parties at the address set forth on Exhibit L, as applicable. Wherever herein an action must be taken by a particular date, the action must be taken by 5:00 P.M. (local Dallas, Texas time), on such date in order to be effective. A party may change or supplement the addresses given below, or designate additional addresses, for purposes of this Section 19.11 by giving all of the other Parties hereto written notice of the new address in the manner set forth above.

ARTICLE 18 – CONFIDENTIALITY

The Parties hereby agree not to disclose the terms and conditions hereto, as well as the technical documentation, the operation rules, and all information of any nature whatsoever associated with this Agreement (the "Confidential Information"), to third parties, without prior written approval from the other Party hereto and shall limit dissemination of such Confidential Information within its own company on a need-to-know basis. It shall make clear to such individuals their obligation to maintain such Confidential Information in strict confidence.

The receiving Party shall be under no obligation with respect to any Confidential Information which:

- 1) is at the time of disclosure available to the public;
- 2) becomes available to the general public at a later date through no fault of the receiving Party;
- 3) the receiving Party can demonstrate was rightfully in its possession before receipt.

No disclosure, publicity nor public announcement in relation to the content of this Agreement shall be made without the prior written agreement of the other Party.

SafranHE USA may freely disclose Confidential Information to its affiliates and/or natural persons and/or legal entities with a need-to-know which are bound to SafranHE USA by confidentiality obligations no less onerous than those provided in this Agreement.

Unless expressly provided otherwise herein, this Agreement does not operate as an assignment or as granting any right to the receiving Party on any patents, copyrights, know-how, registered and unregistered designs, trademarks, trade names or other intellectual property rights of the disclosing Party as may subsist in or be contained in or reproduced in the Confidential Information.

Each Party acknowledges and confirms that a breach of its obligations hereunder cannot be compensated adequately by an award of damages or indemnity or other pecuniary remedy, but the disclosing Party shall also be entitled in the

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event of any such breach to the remedies of injunction for specific performance or other equitable relief in respect of any such breach.

The obligation contained in this article shall survive the termination or expiration of this Agreement for a thirty (30) year period.

ARTICLE 19 – ETHIC

Each Party solemnly declares that:

- It has not infringed any anti-corruption laws or regulations,
- It has not been subject to any civil or criminal sanctions, in France or abroad, for infringement of anti-corruption laws or regulations and that no investigation or proceedings which could lead to such sanctions have been brought against it,
- To the best of its knowledge, no executive or manager of its companies has been subject to any civil or criminal sanctions, in France or abroad, for infringement of anti-corruption laws or regulations and that no investigation or proceedings which could lead to such sanctions have been brought against such persons.

Each Party warrants that:

- It complies and shall comply with the legal provisions against corruption in accordance with the OECD Convention of 1997 and the United Nations Convention Against Corruption of 2003 (UNCAC),
- It has not granted and shall not grant, directly or indirectly, any gift, present, payment, remuneration or benefit whatsoever (trip, etc.) to anyone with a view to or in exchange for the conclusion of this Agreement.

Either Party shall notify the other Party of any gift, present, payment, remuneration or benefit whatsoever that it might grant either directly or indirectly to any employee, officer, or representative of the other Party or to anyone that might influence their decision within the framework of the performance of this Agreement and/or order related to this Agreement.

In the event of failure to comply with this Article, the non- defaulting Party shall automatically have the right to terminate the Agreement with immediate effect and without compensation, and without prejudice to any remedies the non-defaulting Party may have under this Agreement.

ARTICLE 20 – ADDITIONAL PROVISIONS FOR CITY OF NEW ORLEANS' MUNICIPAL CODE COMPLIANCE

- 20.1 **Audit and Inspection.** SafranHE USA will submit to any City audit, inspection, and review, and at the City's request, will make available all documents relating or pertaining to this Contract maintained by or under the control of SafranHE USA, its employees, agents, assigns, successors, and subcontractors, during normal business hours at SafranHE USA's office or place of business in Louisiana. If no such location is available, SafranHE USA will make the documents available at a time and location that is convenient for the City. SafranHE USA will abide by all provisions of City Code Section 2-1120, including but not limited to City Code Section 2-1120(12), which requires SafranHE USA to provide the Office of Inspector General with documents and information as requested. Failure to comply with such requests shall constitute a material breach of the Contract. SafranHE USA agrees that it is subject to the jurisdiction of the Orleans Parish Civil District Court for purposes of challenging a subpoena.
- 20.2 **Cost Recovery.** In accordance with Section 2-8.1 of the Municipal Code entitled, "Cost recovery in contracts, cooperative endeavor agreements, and grants, SafranHE USA shall reimburse the City or disgorge anything of value or economic benefit received in advance from the City if the Contractor fails to perform its contractual obligations as outlined in Article 5, Article 8, Article 11, Appendix A, and Appendix B of Agreement No. 22.122.SBH. For the avoidance of doubt, Safran HE USA shall not be required to reimburse any economic value to the city for services that are already performed.
- 20.3 **Prohibition Against Financial Interest in Agreement.** No elected official or employee of the City shall have a financial interest, direct or indirect, in the Contract, including through any financial interest held by the

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spouse, child, or parent. Any willful violation of this provision, with the expressed or implied knowledge of SafranHE USA, will render this Contract voidable by the City and shall entitle the City to recover, in addition to any other rights and remedies available to the City, all monies paid by the City to SafranHE USA pursuant to this Contract without regard to SafranHE USA's satisfactory performance.

- 20.4 **Prohibition on Political Activity.** None of the funds, materials, property, or services provided directly or indirectly under the terms of this Contract shall be used in the performance of this Contract for any partisan political activity, or to further the election or defeat of any candidate for public office.
- 20.5 **Convicted Felon Statement.** SafranHE USA swears that it complies with City Code Section 2-8(c). No Contractor principal, member, or officer has, within the preceding five (5) years, been convicted of, or pled guilty to, a felony under state or federal statutes for embezzlement, theft of public funds, bribery, or falsification or destruction of public records.
- 20.6 **Non-Solicitation Statement.** SafranHE USA swears that it has not employed or retained any company or person, other than a bona fide employee working solely for it, to solicit or secure this Contract. SafranHE USA has not paid or agreed to pay any person, other than a bona fide employee working for it, any fee, commission, percentage, gift, or any other consideration contingent upon or resulting from this Contract.

[SIGNATURE PAGE FOLLOWS]

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IN WITNESS WHEREOF, the undersigned have executed this Agreement to be effective as of the date set forth below.

AGREED TO:

The City of New Orleans

BY: 
Honorable LaToya Cantrell
Mayor, City of New Orleans

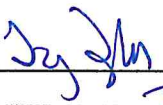
DATE: 3/1/23

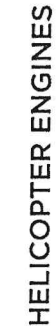
SAFRAN HELICOPTER ENGINES USA, INC.

BY: 
Mr. Thierry Derrien
President & CEO

DATE: 9 February 2023

FORM AND LEGALITY APPROVED:
LAW DEPARTMENT

BY: 
PRINTED NAME: Tracy Tyler



APPENDIX B – LIST OF EQUIPMENT PROVIDED BY SAFRANHE USA UNDER TERMS OF AGREEMENT

SafranHE USA reserves the possibility of replacing a removed equipment by an "interchangeable" item, which might bear a different part number.

ARRIUS 2R

DESCRIPTION	A.T.A CODE
Module 01 assy - Reduction gear module	72-00-00-01-200
Module 02 assy - Gas generator module	72-00-00-01-250
Adjusted Pump and Metering Valve Assembly (HMU)	73-23-00-01-010
HP Pump	73-23-23-01-010
Control Harness (P101 & P103)	71-51-00-01-100/ 200
Digital Engine Control Unit	71-00-00-01-010
Auxiliary control unit	71-00-00-01-110
Control and indicating Harness	71-51-00-01-010/ 020
Diffuser Assembly Exhaust	72-42-00-01-150
Adjusted Valve Assembly	73-14-00-01-100
Start Servo Valve	73-14-00-01-050
Drain valve assembly	71-71-00-01-200
Left Hand Fuel Injector Manifold	73-15-00-01-070
Right Hand Fuel Injector Manifold	73-15-00-01-100
Preference Injector Manifold	73-15-00-01-180
Injector Assy	73-15-03-01
Alternator	73-22-00-01-010
Oil Pump	79-24-15-01-060

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APPENDIX C - ADDITIONAL SERVICES TERMS AND CONDITIONS

The following terms and conditions shall be applicable to the additional services mentioned in Article 5.1 and which refers to this Appendix C.

Non repairable Accessories and Consumables to prevent or answer to unscheduled events

1. Non repairable Accessories and Consumables delivery:

In the frame of unscheduled events, and after acknowledgment of The City of New Orleans's order, SafranHE USA shall deliver the non repairable Accessories and Consumables to replace the removed ones.

In the frame of scheduled inspections, SafranHE USA shall deliver the non repairable Accessories and Consumables required by the maintenance manual.

These non repairable Accessories and Consumables ordered by The City of New Orleans shall be delivered by SafranHE USA, in accordance with the conditions of delivery mentioned in article 8.1, once the Agreement has entered into effect and in accordance with the schedule defined by SafranHE USA and The City of New Orleans. Partial delivery is allowed.

The price of the non repairable Accessories and Consumables in the frame of scheduled and unscheduled events is included in the Hourly Rate. Therefore, an invoice at zero (0) euro shall be issued by SafranHE USA at delivery.

The price calculated for this option has been based on a normal consumption (based on worldwide average). Shall The City of New Orleans's annual consumption be considered by SafranHE USA as unreasonable, and after having informed The City of New Orleans consequently, SafranHE USA reserves the right not to keep this option in the contract perimeter the following year. An amendment to this Agreement shall formalize this non-reconstruction.

2. Interchangeability

At all times, SafranHE USA reserves the possibility of replacing a removed Accessory or Consumable by an "interchangeable" item, which might bear a different part number.

Erosion

The erosion shall be covered by the Agreement as follows:

- provided The City of New Orleans performs the maintenance as defined in the Safran Helicopter Engines maintenance manual (for instance, for the Arriel 1: perform maintenance such as, but not limited to, the cleaning of the rotation assembly).
- provided the primary cause of removal, established by SafranHE USA following inspection of the Equipment, is not erosion. Nevertheless, whenever the erosion depth on the first axial compressor is stated exceeded according to Safran Helicopter Engines maintenance manual, a primary cause of removal will be deemed to exist.

Notwithstanding the above, the erosion shall not be covered by the Agreement:

- Whenever The City of New Orleans has not performed the maintenance in accordance with the Safran Helicopter Engines maintenance manual.

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- If the primary cause of removal is erosion (as assessed by Safran Helicopter Engines)

In the event of non-coverage of erosion, SafranHE USA shall be entitled to invoice all costs related to the removal, Repair or Overhaul to The City of New Orleans in accordance with the terms and conditions of the Agreement.

APPENDIX D - EXCLUDED EVENTS

The following, without limitation and unless specified otherwise in this Agreement, are not covered by this Agreement:

- Standard Exchange of Module;
- Rental of Engine and Module;
- Level 1 maintenance and 2 maintenance;
- Supply of consumables and Accessories as per maintenance manual (except where specifically covered under Appendix B and Appendix C hereto);
- Erosion (except where specifically covered under Appendix C hereto);
- FOD (except where specifically covered under Appendix C hereto);
- Standard Exchange of repairable Accessories and Accessories with TBO (except where specifically covered under Appendix B)
- Standard Exchange of Accessories with TBO (except where specifically covered under Appendix B);
- Standard Exchange of repairable Accessories (except where specifically covered under Appendix B);
- Unjustified Removal not confirmed by the Designated Center or its authorized representative assessment and/or anticipated return of Equipment;
- Repair or replacement of Equipment attributable to the Equipment not having been installed, maintained, operated in compliance with the OEM manuals;
- Repair or replacement of Equipment attributable without limitation to: flight in sand-laden atmosphere, unscheduled removal consecutive to a sudden drop in EPC (Engine Power Check) margin, fouling of the gas passage areas, lightning strike, immersion in water, hard landing of or dropped Equipment, propeller electrical leads shorting, fire, theft, explosion, use of one Engine inoperated 30 second rating, incorrect storage protection, use of maximum contingency rating beyond the maximum limitation, overheating, sulfidation;
- Non-mandatory modifications;
- Transformation of the Equipment into another version, upgrade or conversion to another power rating, upgrade to standard;
- Military to civil conversion or civil to military conversion;
- Repair or replacement of Equipment attributable to the deterioration of a component belonging to the Aircraft;
- Repair attributable to, and/or Replacement of, missing parts, non-approved source parts, stolen parts in Equipment;
- Repair or replacement of Equipment resulting from a 'Parts Manufacturing Authority' component not installed by Safran Helicopter Engines, or from removal or defacing of Safran Helicopter Engines' name, identification mark, or serial number;
- Repair or replacement of Equipment attributable to prior repair or replacement at a servicing facility other than Safran Helicopter Engines approved center;
- Repair or replacement of parts attributable to missing or incomplete Equipment documentation;
- Repair or replacement of Equipment attributable to incidents, accidents during transport, handling, storage, packaging;
- Repair or replacement of Equipment attributable to Aircraft incidents and/or accidents that are not Safran Helicopter Engines' responsibility;
- Fuels or lubricant equipment, anti sand filters, fuel nozzle cleaning or performance recovery or desalination compressor washes (other than for those required for Equipment testing at Designated Center);
- Corrosion;
- Any other events not listed as covered under this Agreement in Article 5.

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APPENDIX E - HOURLY AND CYCLE RATE APPLICABLE TO THIS AGREEMENT

The hourly rate applicable in year 2022 at 2022 economic conditions is set at Three Hundred and One Dollars & Eighty Cents (\$301.8) including 1.0 engine operating cycle, VAT not included, per Operating Hour plus applicable taxes.

Special Aircraft EIS 30% discount is applicable to the hourly rate for the new engine warranty period (in hours and months, whichever limit reached first). For 2022, the resultant discounted flight hour rate is Two Hundred and Five Dollars & Twenty-six Cents (\$211.26) per flight hour and includes 1.0 engine operating cycle per flight hour.

Aircrafts with Engines subject to an early enrollment discount:

Aircraft Type	Aircraft S/N	Registration Number	End of discount date
BH505	65443	N50MC	Two Years from the Effective Date

The Cycle rate applicable in year 2022 at 2022 economic conditions, is set at Six Dollars & Zero Cents (\$6.51), VAT not included, per Operating Cycle plus applicable taxes. This Cycle rate is applicable to cycles consumed greater than 1.0 Cycles per engine flight hour. For avoidance of doubt, the EIS discount noted above does not apply to this Cycle rate.

Pursuant to article 11 of the Agreement, the above rate(s) shall be escalated annually as follows:

- Fixed escalation rate:

- 2023 at an escalation rate of 0%
- 2024 at an escalation rate of 3%
- 2025 at an escalation rate of 3%
- 2026 at an escalation rate of 3%
- 2027 at an escalation rate of 3%

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APPENDIX F - BUY-IN - BUY OUT

1- BUY-IN

The Buy-In Fee is set at zero USD (0 Dollars). This amount corresponds to the hours and Cycles already consumed at December, 05th of 2022. Collection of buy-in fee is waived, as per no enrollment fee due to new engine enrollment at time of aircraft delivery.

BUY-IN FEE SPLIT	
Buy-In rate - Mod & acc (catalogue)	0 USD /Flight hour
Module weight	90.36%
Accessories weight	9.6%
Ratio Buy-In Fee/ hourly rate (catalogue)	45.05%

Modules and accessories Weight

Engine Variant	ARRIUS 2R
Module1	28%
Module2	72%
HMU	100%

The Buy-In Fee shall be paid cash, according to the corresponding invoice.

2- BUY OUT TERMS & CONDITIONS

In case of expiry or termination of the Agreement and in accordance with Article 14.3, The City of New Orleans may be granted a buy-out (credit note).

The buy-out (credit note) amount shall be calculated adding:

For each module:

- the *buy-out reference rate multiplied by the number of hours consumed since last Overhaul or where the Equipment has not yet been subject to Overhaul, since first date of entry into operation and using the **Weighting Methodology.

For each Life Limited Part:

- the catalogue price of the new Life Limited Part multiplied by the number of Cycles consumed divided by the life limit of the part.

Depending on the termination reason or if expiry, the rate, and price of Life Limited Part so defined shall be then decreased by the below percentage in order to define the buy-out reference rate:

- 10% in case of accident whose direct consequence is the hull and/or the Engines become non repairable, in case of sale of a covered engine and purchase of another engine under Safran Helicopter Engines SBH contract,
- 10% in case of contract expiry and in case of termination and immediate signature of another type of support contract with Safran Helicopter Engines,
- 30% in case of any other Agreement termination.

Definitions:

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* The buy-out reference rate shall be defined using the ratio of 45.05% agreed and used at Agreement signature to determine the Buy-in reference rate (see here above Buy-in calculation) and by applying this ratio of 45.05% to the SBH rate in force at the date of expiry or termination.

** Weighting Methodology consists in giving a financial weight to each module as per above table as also used for Buy-in calculation

3- BUY-IN DETAILS

The total Buy-in Fee is detailed by Engine as follows:

	S/N	Consumed life	Buy-In (catalogue)
ENGINE 1: ARRIUS 2 R	54313		
Module 1	4475	0	0
Module 2	8473	0	0
HMU	5719	0	0
TOTAL MODULES AND ACCESSORIES			0 USD
Centrifugal compressor	3834FB	0	0
HP Disc	AE989	0	0
Free Turbine disc	AE1053	0	0
TOTAL LLP			0 USD
			0 USD

APPENDIX G - N/A

APPENDIX H - CERTIFICATE OF TITLE TRANSFER

I. TRANSACTION TYPE:				
SBH Exchange:	Noria Exchange:	Standard Exchange:	Warranty Exchange:	Outright Sale:

On behalf of _____, I, _____, on this _____ day of _____, 20____.

Company Name First Name Last Name

Hereby, acknowledge receipt of and right, title, and interest to the following Exchange Equipment pursuant to the Agreement between the Safran Helicopter Engines USA, Inc. and _____ (Company) or if applicable, the Safran Helicopter Engines USA, Inc.'s Spare Parts Price Catalog's Terms and Conditions.

II. EQUIPMENT RECEIVED FROM SAFRAN HELICOPTER ENGINES USA, INC.:

Variant	Description	Part Number	Serial #	TSN	CSN	Sales Order #	PO #

I further confirm that the following Equipment will be returned to Safran Helicopter Engines USA, Inc., and that right, title, and interest to the Equipment has been passed to Safran Helicopter Engines USA, Inc. pursuant to the Agreement between the parties or under the Terms and Conditions of Safran Helicopter Engines USA, Inc.'s Spare Parts Price Catalog.

III. EQUIPMENT RETURNED TO SAFRAN HELICOPTER ENGINES USA, INC.:

Variant	Description	Part Number	Serial #	TSN	CSN	Removed From	
						A/C SN	Engine SN

Reason for Removal: _____

Core Due Date: _____

Exchange Cost: _____

Equipment returned to Safran Helicopter Engines USA, Inc. shall undergo an inspection to ensure that equipment has been operated in accordance with the manufacturer's specifications and has not suffered damage due to poor maintenance, erosion, corrosion, overheating, surging or from the ingestion of foreign object(s), or from an accident or incorrect storage protection, or from the use of maximum contingency rating beyond the maximum limitation. In the event Safran Helicopter Engines USA, Inc. discovers any of the aforementioned an additional invoice shall be issued to cover the cost of repair or replacement of such damaged returned equipment. Safran Helicopter Engines USA, Inc. reserves the right to reject any returned equipment that has been subjected to any of the aforementioned conditions.

IV. BILL OF SALE

THE STATE OF TEXAS § § KNOW ALL MEN BY THESE PRESENTS:

COUNTY OF TARRANTI §

That the undersigned, Safran Helicopter Engines USA, Inc., ("SafranHE USA"), for and in consideration of the transfer this day by _____ ("Customer") to SafranHE USA of certain property, and other goods and valuable consideration, the full receipt and sufficiency of which are hereby acknowledged and confessed, does hereby BARGAIN, SELL, AND DELIVER unto the "Customer", its successors and assigns all of the property described in Section II, and "Customer" does hereby BARGAIN, SELL, AND DELIVER unto SafranHE USA, its successors and assigns all of the property described in Sections III, TO HAVE AND TO HOLD the property, together with all and singular rights and appurtenances thereto in anywise belonging unto the delivering party, its successors and assigns.

_____, (Initial) "Customer" hereby certifies that: (i) "Customer" is the owner of the property; (ii) the property described is free of any liens or encumbrances; and (iii) while the property remains subject to this transfer no liens or encumbrances shall arise. "Customer" further certifies that the status of any property subject to a lien or encumbrance has been properly updated to reflect the release of the lien or encumbrance in any domestic or international registry system. Specified Equipment in Section III shall be complete, including updated logbook or log cards, in packaging which conforms to the manufacturer's specification for long distance freight, to SafranHE USA using one of the following shipment options: (1) The "Customer" shall ship at its own risk and expense Specified Equipment to SafranHE USA; or (2) The "Customer" has the option of using the Safran HE USA pick-up service and be invoiced per the applicable charges according to the pick-up service price list; providing necessary information to arrange the pick-up. Specified Equipment must be packaged as outlined herein above, including carrier documentation for transportation purpose and any form transmitted by SafranHE USA when applicable and made available to the freight service for pick-up (FCA conditions 2010 incoterms at Customer's facility). If signer is not the owner of the property, but is an agent-in-fact on behalf of the Customer ("Agent"), Agent certifies and warrants that: (i) it has the authorization to sign on behalf of "Customer"; (ii) it has the authority to transfer ownership of the property on behalf of the "Customer"; and (iii) it shall indemnify and hold SafranHE USA harmless against any damage or loss suffered because of a breach of this Bill of Sale to the Certificate of Title Transfer.

_____, (Initial) Specified Equipment in Section III must be shipped to Safran HE USA or available to the freight service for pick-up along with logbook or log cards within ten (10) days from receipt of shipment or as per terms of current contract. Beyond this time limit, "Customer" or "Agent" shall pay a daily fee of \$300.00 per day for Engine/Modules and \$100.00 per day for HMI/TCU in addition to the applicable exchange price determined at the point of sale. Failure to return a core asset after forty-five (45) days will result in a complete cancellation of the exchange agreement and the "Customer" will be invoiced the full catalog price plus late penalties of the asset.

CUSTOMER OR AGENT'S SIGNATURE:

Customer or Agent's (Entity) Name: _____

By: _____
(Print Individual's Name)

Signature: _____

Title: _____
(Print Individual's Title)

Date: _____

SAFRAN HELICOPTER ENGINES USA, Inc.

By: _____
(Print Individual's Name)

Signature: _____

Title: _____
(Print Individual's Title)

Date: _____

2001 Farnet Drive Grand Prairie, TX 75052 Tel: 972.906.1300 Fax: 972.606.3123 www.safranhelicoptersusa.com

The City of New Orleans

SafranHE USA

Agreement N° 22.122.SBH

City of New Orleans

SafranHE

APPENDIX I - MONTHLY OPERATING REPORT

Date: December 5, 2022
Operator: The City of New Orleans
Contract No.: 22.122.SBH
Engine Type: ARRIUS 2R

*Electronic monthly reporting login capability shall be provided to **The City of New Orleans** upon contract signature.

HOURS DECLARED = WHOLE NUMBERS

COMPLETE FLEET OF ENGINE MUST BE INDICATED (INCLUDING NON-FLYING OR SPARE ENGINES)

THIS MONTHLY OPERATING REPORT IS DUE BEFORE THE 10th OF EVERY MONTH

TSN IS TO BE PROVIDED ONLY FOR ENGINES WITHOUT TSO AND COVERED BY THIS AGREEMENT

APPENDIX J - SCHEDULED REMOVAL PLAN

Date: December 5, 2022
 Operator: The City of New Orleans
 Contract No: 22.122.SBH
 Engine Type: ARRIUS 2R

AIRCRAFT		ENGINE		TSN/TSO	CSN	MONTH - CURRENT CIVIL YEAR												MONTH - NEXT CIVIL YEAR					
TYPE	S/N	S/N				1	2	3	4	5	6	7	8	9	10	11	12	1	2	3	4	5	6
B505	65443	Engine		54313																			
		Module 1																					
		Module 2																					
		HMU/FCU																					
		Engine																					
		Module 1																					
		Module 2																					
		HMU/FCU																					
		Engine																					
		Module 1																					
		Module 2																					
		HMU/FCU																					
		Engine																					
		Module 1																					
		Module 2																					
		HMU/FCU																					
		Engine																					

APPENDIX K - EQUIPMENT REMOVAL REPORT

Date: December 5, 2022
Operator: The City of New Orleans
Contract No: 22.122.SBH
Engine Type: ARRIUS 2R

AIRCRAFT		ENGINE			
TYPE	S/N	TYPE	S/N	TSN/TSO	CSN

REMOVED EQUIPMENT						
DATE OF REMOVAL :						
	VARIANTS	P/N	S/N	TSN/TSO	CSN	
ENGINE						
MODULE 1						
MODULE 2						
MODULE 3						
MODULE 4						
MODULE 5						
COMPONENT DESIGNATION						
SYMPTOMS						
POSSIBLE CAUSE OF EVENT						
FIELD RECOMMENDATIONS	REP					
REPLACEMENT EQUIPMENT FITTED (IF SPARES)						

APPENDIX L - N/A

The City of New Orleans

SafranHE USA

Agreement N° 22.122.SBH

City of New Orleans

SafranHE 