

AIRCRAFT MRO SERVICE AGREEMENT

This AIRCRAFT MRO SERVICE AGREEMENT ("Agreement") is made on the _____, the ("Effective Date") between, SANTA BARBARA COUNTY FIRE DEPARTMENT, (the "Customer") and ARISTA AVIATION SERVICES, LLC ("Arista").

RECITALS

A. Arista provides aviation services including aircraft storage, maintenance, inspection, repair, overhaul, engineering, and modification services;

B. Customer desires to have certain aircraft storage, maintenance, inspection, repair, engineering, modification, and ancillary services to be performed on its Aircraft; and

C. Arista is prepared to perform such services and to carry out the work requested by Customer at the Arista's Maintenance Base in accordance with the terms and conditions as set out below.

AGREEMENT

NOW THEREFORE in consideration of the mutual covenants set forth herein, the two parties agree as follows:

Section 1. Definitions.

1.1 In this Agreement, unless the context requires otherwise:

"Additional Work" means additional services performed by Arista as defined in Section 2.2.

"Agreement" means this Agreement and all Schedules, Appendixes, Annexes, Addendums, and Exhibits hereto as well as all Side Letters, amendments and variations as agreed in writing from time to time by the Parties hereto.

"Aircraft" means collectively or individually, the specific aircraft inducted by Arista at its Maintenance Base for the performance of Services.

"Aircraft Maintenance Documents" means all Maintenance Documents specific to the Aircraft.

"Aircraft Service Bulletins" means a bulletin issued by an OEM, calling for an inspection or a modification of the Aircraft or Component.

"Airworthiness Authority" and "Airworthiness Authorities" means the Federal Aviation Administration of the United States or any other applicable government aviation authority.

"Arista Test Pilots" means the pilots who perform the Test Flight.

"Component" or "Components" means any part of an aircraft including Engine or flight equipment, each of which is identified by a part number in the aircraft maintenance and operational documentation provided by the OEMs of the Aircraft and Components. These are self-contained notable and repairable parts, or combination of parts, sub-assemblies or units, which perform a distinctive function necessary to the operation of a particular aircraft system.

"Consumables" means items that are used only once and identified by related industrial standard rather than by a part number in the Maintenance Document(s) issued by the respective aircraft or component manufacturer.

This includes, but is not limited to rags, gloves, sanding disks, masking paper, standard drill bits, but excludes special tooling consumed or used during the Services and/or Additional Services.

"CQAR" means Customer's Quality Assurance Representative, responsible for the performance of all quality oversight and assurance functions set forth in the applicable Technical Manuals, Technical Bulletins and the Exhibits to this Agreement. The CQAR performs quality assurance audits and provides a report to Customer regarding any non-compliance issues.

"CRS" means Certificate of Release for Service as defined in Section 4.4.

"Customer" as identified in the first paragraph of this Agreement.

"Day" means one (1) calendar day marked by a full twenty-four (24) hour period occurring during a normal business day excluding weekends and federal holidays.

"Delivery" means the act by which the Customer accepts delivery of the Aircraft or Component from the Maintenance Base upon completion of the Services.

"Delivery Date" means the estimated or expected date and time of Delivery agreed between the Parties.

"Dollars" or "\$" or "US Dollars" or "US\$" or "USD" means the lawful currency of the United States of America.

"Engine" or "Engines" means any one (1) or more of the engines installed on the Aircraft at the time of Induction by Arista.

"Excusable Delay" means a delay as defined in Section 12 of this Agreement.

"Expendables" means both integral and non-integral piece parts of an assembly (e.g. seals, gaskets, bracket, clevis, rod-end, bearing, hoses, etc.) that are generally not repaired or refurbished due to inter alia design constraints and/or uneconomical repair.

"FAA" means the Federal Aviation Administration of the United States.

"Ferry Flight(s)" means the flight by which the Aircraft arrives at the Maintenance Base for Induction

"Fixed Price" means a predetermined price for a defined service.

"Ground Acceptance Test" means the relevant test required performed by Arista Test Pilots after completion of the Services and Additional Work (if any) as per the Aircraft Maintenance Documents.

"Induction" means the act by which Customer delivers and Arista accepts the Aircraft or Component at the Maintenance Base for performance of the Services.

"Labor-hour(s)" means the allocation of one (1) individual to any specific task including the supervision or inspection of that task, for an elapsed time of one (1) hour or any pro rata portion thereof.

"Maintenance Base" means Arista maintenance facilities located in Enterprise, Alabama at the Enterprise Municipal Airport or such other location specified in writing by Arista.

"Maintenance Documents" means all current and applicable manuals, maintenance publications, work instructions, inspection cards, Aircraft Service Bulletins, and service information letters that are required for the performance of the Services, Additional Work and/or the modification of the Aircraft and Components.

"Materials" means any Consumables or Expendables including raw materials required for the performance of the Services, Additional Work and/or the modification of the Aircraft and Components.

"OEM" means the Original Equipment Manufacturer.

"Over and Above" means any work that is outside the agreed upon Statement of Work between the Customer and Arista.

"Parties" means Arista and Customer collectively, and "Party" shall mean either of them, as the case may be.

"Representative(s)" means Customer representative(s) as defined further in Section 7.

"Services" means the maintenance, repair and overhaul services provided by Arista as set forth in Schedule A of this Agreement.

"Scope of Work" means the scope of work specified in Schedule A and Addendum 1 to Schedule A.

"Spare Parts" or "Spares" means Components or Materials required either to exchange or to replace the original part.

"Special Tooling" means tooling specifically required for the performance of certain services.

"TAT" means turn-around-time. Computation of the TAT is defined in Section 6.

"Test Flight" means the performance of an airworthiness flight test by Arista Test Pilots at or prior to Induction or after completion of the Services, as applicable.

"Work" means services as defined in Section 2.2.

1.2 Any expression in the singular shall, where the context requires, include the plural and vice-versa.

1.3 In this Agreement, all references to "Sections" and "Schedules" are to the Sections and Schedules of this Agreement.

Section 2 Services and Additional Work.

2.1 Arista shall perform the Services for Customer.

2.2 Arista shall perform any additional work over and above the Services initially identified in this Agreement ("Additional Work"), subject to:

- (a) Arista having the available resources to do so;
- (b) the Parties agreeing on the price of the Additional Work and on the necessary extension to the TAT (if any).
- (c) the Parties executing a written agreement, change order or similar instrument which confirms the price and other terms and conditions related to the Additional Work.

Notwithstanding the foregoing provisions in (a), (b) and (c) of Section 2.2, the term "Additional Work" shall also include any and all "Over and Above Work" or "O/A Work" set forth on the Schedules to this Agreement. Arista shall not be required to execute a separate written agreement, change order or other instrument related to Over and Above Work if it is specified on a Schedule to this Agreement.

Section 3. Standard of Services.

3.1 The Services and Additional Work performed by Arista under this Agreement shall comply with Arista's Repair Station Authorization as approved by the appropriate Airworthiness Authority.

3.2 The Services shall be performed in accordance with the current revision of applicable and effective Maintenance Documents of the OEM and/or operator for the Aircraft and Components.

Section 4. Induction and Delivery.

4.1 Customer shall induct the Aircraft to the Maintenance Base inclusive of all Maintenance Documents (pursuant to Section 8.4) and the Aircraft to the Maintenance Base on the Induction Date; Arista will commence performance of the Services in a reasonable period of time thereafter.

4.2 Subject to Section 2.2(b) and Section 12, Arista shall use its best efforts to complete the Services for the Aircraft within the agreed TAT as stated in Schedule A. Notwithstanding the foregoing or any contrary provisions in this Agreement or the Schedules, the TAT specified in Schedule A is Arista's best estimate of when the Services will be completed and the Aircraft will be delivered. Therefore, the Delivery Date specified in the TAT shall not be binding upon Arista.

4.3 Upon completion of the initial inspection and assessment of all outstanding logbook items, Arista will analyze the workload to determine any impact to the Aircraft Delivery Date. Arista will notify Customer from time to time of any required adjustments to the Delivery Date.

Section 5. Test Flight.

5.1 At or prior to Induction and Delivery, as required by the Aircraft Maintenance Documents, Test Flight(s) shall be conducted by Arista Test Pilots.

5.2 All costs and expenses in connection with the Test Flight(s) shall be included in the agreed-upon cost.

5.3 Arista shall ensure that all Test Flights are conducted by properly certified and insured Test Pilots, as specified in Section 19 herein.

5.4 Any defect in workmanship or materials discovered during the Ground Acceptance Test and Test Flight(s) which is directly attributable to the Services and/or Additional Work provided or processed by Arista, shall be rectified by Arista at its expense. However, such expense shall be limited to the labor required to rectify the defect and/or the replacement of any Materials (expendable items) that were provided or damaged by Arista through its performance of Services or Additional Work.

5.5 Customer hereby releases and agrees to indemnify, defend and hold harmless Arista, its members, managers, owners, debt holders, lenders, directors, employees, officers, agents and subcontractors and any affiliates thereof from and against any and all liabilities, claims, demands, suits, damages, actions and losses, including costs, fees and expenses in connection therewith and incidental thereto, for the death of or injury to any person and for damage to or loss of or destruction of property (including but not limited to the Aircraft being test flown or other property), arising out of or in any way connected with any and all Test Flights and/or demonstration flights except to the extent caused by, arising out of or attributable to a negligent act or omission of Arista.

Section 6. Aircraft Turn-Around-Time.

6.1 TAT shall be the interval between the Induction Date of the Aircraft and the Delivery Date of the Aircraft.

6.2 At Customer's request, Arista will maintain a schedule which will allow Customer to monitor the progress of the Services and Additional Work.

6.3 Arista shall inform Customer of any finding during the performance of the Services that may delay the Delivery, including notification to Customer after the initial inspection as defined in Section 4.4.

Section 7. Customer's Local Representatives.

7.1 Customer may identify one (1) Representative to serve as a liaison between the Parties throughout the term of this Agreement. The identified Representative shall have the authority from Customer to make binding decisions on its behalf concerning the performance of the Services and Additional Work.

7.2 Arista shall extend to the Representative necessary access, when requested in writing, to the areas at the Maintenance Base where the Services are being performed.

7.3 For a reasonable period of time and at no additional cost, Arista shall provide the Representative with the use of basic office facilities during the performance of the Services and Additional Work including telephone, facsimile, internet access and photocopying services. With the exception of long distance and international calls, which shall be recharged to Customer (upon presentation of service provider invoice), these facilities will be provided at no additional cost.

7.4 Customer shall inform Arista in writing of the identity and authority of the Representative within five (5) business days of Induction of the Aircraft.

7.5 The Representative shall at all times comply with Arista's health, safety, confidentiality and security policies while at the Maintenance Base, and shall comply with all other reasonable requests of Arista.

7.6 Customer shall be responsible for all wages, travel, accommodation expenses and all other costs of whatsoever nature incurred at any time by the Customer Representative

Section 8. Responsibilities of Customer.

8.1 At the time of Induction, any Customer provided Materials and Components shall be delivered to Arista at the Maintenance Base with all required documentation to validate certification and serviceability including, but not limited to, serviceable tag and Form 8130-3. Arista shall not accept a Form 8130-3 issued by a Part 121, 125 or 129 operator for use on an aircraft maintained under Part 91.

8.2 Customer shall provide Arista with Aircraft Maintenance Documents and other documents together with any updated revisions and supplements of all documents, prior to the Induction Date.

8.3 Arista shall notify Customer in writing of any item that requires disposal prior to Delivery. Customer shall provide Arista with a list of items that should be disposed of prior to Delivery, failing which, Customer shall be deemed to have consented to Arista's disposal of the same (in any manner it deems fit including but not limited to, the sale thereof) at Arista's sole benefit; provided, however, that disposal costs are the sole responsibility of Customer.

8.8 Arista shall be responsible to relevant Airworthiness Authorities in force at the time of the performance of the Services and Work as provided in Section 13.1 of this Agreement.

Section 9. Rates and Charges. The rates and charges for the Services and Work to be performed and supplied are as set forth in Schedule A of the Agreement.

Section 10. Payment Terms.

10.1 Payments made under this Agreement shall be in Dollars and be made by check or electronic funds transfer.

10.2 Customer shall not refuse to make payment on preliminary invoices on the grounds that a detailed final invoice is not available at the time of Delivery.

10.4 Arista shall issue a detailed and final invoice as soon as practicable, but not later than ninety (90) days after Delivery.

10.5 In the case of a bona fide dispute in relation to any invoice, Customer shall pay the undisputed portion within the period stipulated above. Customer shall notify Arista in writing of any dispute in relation to an invoice within fourteen (14) days from the date of the invoice.

Section 11. Set Off and Taxes.

11.1 All payments under this Agreement shall be made without any set-off or counterclaim (whether by reason of warranty claims or otherwise) and free and clear of and without deduction for or on account of any present or future applicable deductions, taxes, levies, duties, charges, fees, deductions or withholdings of any nature (collectively called "Taxes") imposed, levied, collected, withheld or assessed by any competent tax authority.

11.2 Customer shall be responsible for the payment of all Taxes lawfully imposed and due in relation to the performance of this Agreement.

Section 12. Delay in Delivery.

12.1 Arista shall not be in breach of this Agreement and will not be held liable for a delay in TAT or Delivery of the Aircraft or performance of its obligations in this Agreement, if such delay or non-performance is attributable to reasons beyond Arista's reasonable control including, without limitation, the following:

- (a) Occurrence of one or more Force Majeure events outlined in Section 21 below;
- (b) Failure on the part of third-party suppliers to provide Materials and Components in due time, unless Arista has failed to make reasonable provision for the required Materials and Components needed;
- (c) Failure of Customer to promptly perform any of its obligations under this Agreement;
- (d) Delay by Customer in giving instructions to Arista, including the provision of Maintenance Documents as specified in section 8.4 to allow prompt commencement of services upon the Delivery Date;
- (e) Failure of Customer to provide a complete Scope of Work at least fourteen (14) days prior to the Delivery Date;
- (f) Any delay caused due to Arista failing to obtain the required Materials, Components and Special Tooling pursuant to Section 8.3;
- (g) Discovery of a major defect that is beyond the limits as defined in the Maintenance Documentation which will require technical advice and support from the OEM;
- (h) Any major repair or recertification exceeding 250 Labor-hours or an elapsed time that has a direct impact on the TAT;

- (i) Strikes or other labor disputes, whether at Arista's facility or elsewhere.

12.2 Delays resulting from any of the foregoing causes are referred to as "Excusable Delay(s)".

12.3 If Arista is prevented by an Excusable Delay(s) from timely performance of any of its obligations in this Agreement, the time for performance shall be extended at least by a period of Days equal to the time lost by reason of such delay, provided that Arista promptly notifies Customer of any Excusable Delay affecting Arista's performance.

Section 13. Authorities/Certification.

13.1 Arista shall be responsible to the FAA for obtaining all airworthiness certificates, and for ensuring that the Aircraft and Components are in compliance with all applicable FAA 145 Repair Station rules, regulations and directives in force at the time of the performance of the Services and Additional Work.

13.2 Arista shall provide copies of all work release, work completion and test compliance documents signed by authorized personnel to support the performance of the Services and Additional Work. All such documents will be in English.

13.3 It is understood and accepted that all work carried out on the Aircraft at the Maintenance Base shall be performed by Arista's personnel or subcontractors in accordance with Arista's established standards and procedures applicable to FAA 145 Repair Stations, or as approved by Arista's licensed and authorized personnel, as applicable.

Section 14. Confidentiality and Ownership of Intellectual Property.

14.1 Each Party shall treat as strictly confidential and not use or disclose any information or data, including but not limited to technical or strategic data, business processes, documentation of or relating to the other party pertaining to this Agreement (including for the avoidance of doubt, the terms hereof) or obtained in consequence of this Agreement or performance thereof, including client lists, other than to its employees, and if appropriate, subcontractors, unless such disclosure is necessary in order to fulfill its obligations under this Agreement or to obtain professional advice on this Agreement or as may be required under law. The obligations hereunder shall survive any expiration or termination of this Agreement for any reason.

14.2 Arista or its designee will maintain all ownership right, title and interest to all ideas, concepts, designs, products, methods, computer programs, software manuals, compositions, prototypes, reports, inventions, drawings and/or specifications developed, conceived, created or prepared by Arista (i) prior to the performance of Services or (ii) developed by Arista during or after the performance of Services and Additional Work ("Arista Materials").

Section 15. Limited Warranty.

15.1 Except as otherwise set forth in this Section 15, Arista warrants that at the time the Aircraft or Component is ready for Delivery, the Services performed by Arista shall be free from defects in workmanship. Should any defect in workmanship or Materials processed by Arista be found within one hundred eighty (180) days, Arista shall, at Arista's sole option and at no additional cost to Customer, (i) replace the defective Materials and restore defects in workmanship proven to have been caused by Arista or (ii) reimburse Customer for the reasonable labor and Material costs incurred by Customer in rectifying such defect in workmanship proven to have been caused by Arista. This warranty shall not apply to any Aircraft or Component which has been misused, operated in excess of its specifications, or modified or repaired by persons other than Arista except as may be permitted pursuant to Section 15.3 below. This warranty shall not apply to any Aircraft or Component nonconformity caused by or relating to (i) the negligence of Customer or any third party or (ii) the use of any products or materials provided by Customer or provided by vendors specified by Customer and used in the Aircraft or Component.

15.2 In the event of failure of any Materials supplied by a third party to Arista, the full benefit of any warranties thereof provided by the supplier and enjoyed by Arista shall be provided to Customer including (at the option of Customer) assignment of rights of action against the supplier or the enforcement of the claim by Arista on behalf of Customer in both cases for the interests and benefit of Customer.

15.3 In the event that Customer identifies a defect under warranty, Customer shall notify Arista in writing within fourteen (14) days of such defect being discovered. If such defect is subsequently proven to have arisen as the result of defective materials or workmanship of Arista, Arista will reimburse, at its discretion, such reasonable labor and Material costs incurred by Customer in rectifying such defects according to the labor and material rates to be agreed upon between Customer and Arista.

15.4 The warranty given in Section 15.1 herein is subject to the following conditions:

(a) The defective workmanship or item must have arisen as a result of actions under Arista's or its subcontractor's control;

(b) Subsequent to the Delivery, the Aircraft or items under warranty have been maintained in accordance with the OEM's recommendations and requirements by qualified licensed personnel;

(c) Subsequent to the Delivery, the Aircraft or item under warranty has been stored, operated or used in accordance with the OEM's recommended operating conditions;

(d) Subsequent to the Delivery, the Aircraft or item under warranty has not been subject to misuse and has not been repaired or altered by anyone other than Arista;

(e) Subsequent to Delivery, the Aircraft has not been involved in an incident or accident unrelated to Arista's Services; and

(f) Services performed by Arista consisting of the removal, installation, or handling of used parts and materials shall not be covered under this warranty.

15.5 Customer will arrange for transportation of the defective item to and from the location where the repair will be carried out, at Customer's own risk and expense.

Section 16. Status and Authority. Each Party represents and warrants to the other Party that:

(a) it is a limited liability company duly organized and validly existing under the laws of its jurisdiction of organization, and that no petition for its winding up has been presented nor any order made or resolution passed to that effect; and

(b) it has the full power, authority and legal right to enter into and perform this Agreement.

Section 17. Liability.

17.1 Except as expressly set forth in Section 15 of this Agreement, Customer hereby waives and releases Arista from any and all other warranties, agreements, guarantees, conditions, duties, obligations, remedies or liabilities, whether expressed or implied or arising by law or otherwise including, without limiting the generality of the foregoing, any warranty of merchantability or fitness for intended use or purpose or as to the standard of care and skill and time for performance with respect to Arista's obligations and performance pursuant to this Agreement.

17.2 Under no circumstances shall either Party be liable to the other Party for consequential, incidental, indirect or special damages, which shall mean any economic or pecuniary loss whether direct, indirect or

consequential and whether or not foreseeable and shall include but not be limited to, loss of profits, loss of revenue and loss of business opportunity arising out of or resulting from the contractual, tortious (including without limitation negligence) and/or other causes of action or obligations of the Parties to this Agreement.

17.3 All references to Arista in this Section 17 shall include its members, managers, stakeholders, lenders, debt holders, directors, officers, agents, employees and subcontractors and affiliates thereof.

Section 18. Indemnification.

18.1 Arista agrees to indemnify, defend (with counsel reasonably approved by Customer) and hold harmless Customer and its officers, officials, employees, agents and volunteers from and against any and all claims, actions, losses, damages, judgments and/or liabilities arising out of this Agreement from any cause whatsoever, including the acts, errors or omissions of any person or entity and for any costs or expenses (including but not limited to attorneys' fees) incurred by Customer on account of any claim except where such indemnification is prohibited by law. Arista's indemnification obligation applies to Customer's active as well as passive negligence but does not apply to Customer's sole negligence or willful misconduct.

18.2 Arista shall notify Customer immediately in the event of any accident or injury arising out of or in connection with this Agreement. The indemnification provisions in this Agreement shall survive any expiration or termination of this Agreement.

18.3 The party making a claim under this Section 18 is referred to as the "Indemnified Party", and the party against whom such claims are asserted under this Section 18 is referred to as the "Indemnifying Party".

18.4 If any Indemnified Party receives notice of the assertion or commencement of any action, claim or proceeding made or brought by any person who is not a party to this Agreement (a "Third Party Claim") against such Indemnified Party with respect to which the Indemnifying Party is obligated to provide indemnification under this Agreement, the Indemnified Party shall give the Indemnifying Party reasonably prompt written notice thereof, but in any event not later than thirty (30) calendar days after receipt of such notice of such Third Party Claim. The failure to give such prompt written notice shall not, however, relieve the Indemnifying Party of its indemnification obligations, except and only to the extent that the Indemnifying Party forfeits rights or defenses by reason of such failure. Such notice by the Indemnified Party shall describe the Third Party Claim in reasonable detail, shall include copies of all material written evidence thereof and shall indicate the estimated amount, if reasonably practicable, of the costs, expenses or loss that has been or may be sustained by the Indemnified Party.

The Indemnifying Party shall have the right to participate in, or by giving written notice to the Indemnified Party, to assume the defense of any Third Party Claim at the Indemnifying Party's expense and by the Indemnifying Party's own counsel, and the Indemnified Party shall cooperate in good faith in such defense; *provided, that* if the Indemnifying Party is Seller, such Indemnifying Party shall not have the right to defend or direct the defense of any such Third Party Claim that seeks an injunction or other equitable relief against the Indemnified Party. In the event that the Indemnifying Party assumes the defense of any Third Party Claim, subject to Section 18.5, it shall have the right to take such action as it deems necessary to avoid, dispute, defend, appeal or make counterclaims pertaining to any such Third Party Claim in the name and on behalf of the Indemnified Party.

The Indemnified Party shall have the right to participate in the defense of any Third Party Claim with counsel selected by it subject to the Indemnifying Party's right to control the defense thereof. The fees and disbursements of such counsel shall be at the expense of the Indemnified Party, *provided, that* if in the reasonable opinion of counsel to the Indemnified Party, (i) there are legal defenses available to an Indemnified Party that are different from or additional to those available to the Indemnifying Party; or (ii) there exists a conflict of interest between the Indemnifying Party and the Indemnified Party that cannot be waived, the Indemnifying Party shall be liable for the reasonable fees and expenses of counsel to the Indemnified Party in each jurisdiction for which the Indemnified Party determines counsel is required. If the Indemnifying Party elects not to compromise

or defend such Third Party Claim, fails to promptly notify the Indemnified Party in writing of its election to defend as provided in this Agreement, or fails to diligently prosecute the defense of such Third Party Claim, the Indemnified Party may, subject to Section 18.5, pay, compromise, defend such Third Party Claim and seek indemnification for any and all costs, expenses or losses based upon, arising from or relating to such Third Party Claim.

Arista and Customer shall cooperate with each other in all reasonable respects in connection with the defense of any Third Party Claim, including making available to the defending party, management employees of the non-defending party as may be reasonably necessary for the preparation of the defense of such Third Party Claim.

18.5 Notwithstanding any other provision of this Agreement, the Indemnifying Party shall not enter into settlement of any Third Party Claim without the prior written consent of the Indemnified Party, except as provided in this Section 18.5. If a firm offer is made to settle a Third Party Claim without leading to liability or the creation of a financial or other obligation on the part of the Indemnified Party and provides, in customary form, for the unconditional release of each Indemnified Party from all liabilities and obligations in connection with such Third Party Claim and the Indemnifying Party desires to accept and agree to such offer, the Indemnifying Party shall give written notice to that effect to the Indemnified Party. If the Indemnified Party fails to consent to such firm offer within ten (10) days after its receipt of such notice, the Indemnified Party shall continue to contest or defend such Third Party Claim and in such event, the maximum liability of the Indemnifying Party as to such Third Party Claim shall not exceed the amount of such settlement offer. If the Indemnified Party fails to consent to such firm offer and also fails to assume defense of such Third Party Claim, the Indemnifying Party may settle the Third Party Claim upon the terms set forth in such firm offer to settle such Third Party Claim. If the Indemnified Party has assumed the defense pursuant to Section 18.4, it shall not agree to any settlement without the written consent of the Indemnifying Party (which consent shall not be unreasonably withheld or delayed).

Section 19. Insurance.

19.1 Arista shall procure and maintain for the duration of this Agreement insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the work hereunder and the results of that work by Arista, its agents, representatives, employees or subcontractors. Minimum Scope of Insurance coverage shall be at least as broad as:

- (a) Commercial General Liability (CGL): Insurance Services Office (ISO) Form CG 00 01 covering CGL on an "occurrence" basis, including products-completed operations, personal & advertising injury, with limits no less than \$1,000,000 per occurrence and \$2,000,000 in the aggregate.
- (b) Automobile Liability: ISO Form Number CA 00 01 covering any auto (Code 1), or if Arista has no owned autos, hired, (Code 8) and non-owned autos (Code 9), with limit no less than \$1,000,000 per accident for bodily injury and property damage.
- (c) Aircraft Liability: Insurance for bodily injury and property damage liability with a combined single limit no less than \$5,000,000.
- (d) Professional Liability (Errors and Omissions) Insurance appropriate to Arista's profession, with limit of no less than \$1,000,000 per occurrence or claim, \$2,000,000 aggregate.
- (e) Workers' Compensation: as required by the State of California, with Statutory Limits, and Employer's Liability Insurance with limit of no less than \$1,000,000 per accident for bodily injury or disease.
- (f) If Arista maintains higher limits than the minimums shown above, the Customer requires and shall be entitled to coverage for the higher limits maintained by Arista. Any available

insurance proceeds in excess of the specified minimum limits of insurance and coverage shall be available to the Customer.

19.2 The insurance policies are to contain, or be endorsed to contain, the following provisions:

- (a) Additional Insured – Customer, its officers, officials, employees, agents and volunteers are to be covered as additional insureds on the CGL and Aircraft policies with respect to liability arising out of work or operations performed by or on behalf of Arista including materials, parts, or equipment furnished in connection with such work or operations. The General liability coverage can be provided in the form of an endorsement to Arista’s insurance at least as broad as ISO Form CG 20 10 11 85 or if not available, through the addition of both CG 20 10 and CG 20 37 if a later edition is used).
- (b) Primary Coverage – For any claims related to this Agreement, Arista’s insurance coverage shall be primary insurance as respects the Customer, its officers, officials, employees, agents and volunteers. Any insurance or self-insurance maintained by the Customer, its officers, officials, employees, agents or volunteers shall be excess of Arista’s insurance and shall not contribute with it.
- (c) Notice of Cancellation – Each insurance policy required above shall provide that coverage shall not be canceled, except with notice to the Customer.
- (d) Waiver of Subrogation Rights – Arista hereby grants to Customer a waiver of any right to subrogation which any insurer of said Arista may acquire against the Customer by virtue of the payment of any loss under such insurance. Arista agrees to obtain any endorsement that may be necessary to effect this waiver of subrogation, but this provision applies regardless of whether or not the Customer has received a waiver of subrogation endorsement from the insurer.
- (e) Deductibles and Self-Insured Retention – Any deductibles or self-insured retentions must be declared to and approved by the Customer. The Customer may require Arista to purchase coverage with a lower deductible or retention or provide proof of ability to pay losses and related investigations, claim administration, and defense expenses within the retention.
- (f) Acceptability of Insurers – Unless otherwise approved by Risk Management, insurance shall be written by insurers authorized to do business in the State of California and with a minimum A.M. Best’s Insurance Guide rating of “A- VII”.
- (g) Verification of Coverage – Arista shall furnish the Customer with proof of insurance, original certificates and amendatory endorsements as required by this Agreement. The proof of insurance, certificates and endorsements are to be received and approved by the Customer before work commences. However, failure to obtain the required documents prior to the work beginning shall not waive Arista’s obligation to provide them. Arista shall furnish evidence of renewal of coverage throughout the term of the Agreement. The Customer reserves the right to require complete, certified copies of all required insurance policies, including endorsements required by these specifications, at any time.
- (h) Failure to Procure Coverage – In the event that any policy of insurance required under this Agreement does not comply with the requirements, is not procured, or is canceled and not replaced, the Customer has the right but not the obligation or duty to terminate the Agreement. Maintenance of required insurance coverage is a material element of the Agreement and failure to maintain or renew such coverage or to provide evidence of renewal may be treated by the Customer as a material breach of contract.
- (i) Subcontractors – Arista shall require and verify that all subcontractors maintain insurance meeting all the requirements stated herein, and Arista shall ensure that Customer is an additional insured on insurance required from subcontractors.

- (j) Special Risks or Circumstances – The Customer reserves the right to modify these requirements, including limits, based on the nature of the risk, prior experience, insurer, coverage, or other special circumstances.
- (k) Any change requiring additional types of insurance coverage or higher coverage limits must be made by amendment to this Agreement. Arista agrees to execute any such amendment within thirty (30) days of receipt.
- (l) Any failure, actual or alleged, on the part of the Customer to monitor or enforce compliance with any of the insurance and indemnification requirements will not be deemed as a waiver of any rights on the part of the Customer.

19.3 Customer will maintain adequate insurance in full force and effect at no expense to Arista during the term of this Agreement, covering but not limited to the following risks:

(a) Hull "All Risks" (herein refers to All Perils, Aviation Hull All Risks and Aviation Hull War Risks) Insurance and All Risks Property Insurance as applicable, the Aircraft including Components, Engines and Spare Parts installed on the Aircraft, in the amount of \$3,000,000.

19.4 All insurances referred to under this Section 19 shall continue in full force and effect for the duration of this Agreement

19.5 The Parties shall, prior to the commencement of the Services and subsequently, whenever such insurance is renewed, furnish to each other certificate(s) of insurance in confirmation of having affected the required insurance. Notwithstanding the foregoing, any failure by the parties to request or inspect such certificates shall not amount to a waiver of the parties rights under this Agreement.

Section 20. Subcontracting of Work. Arista will submit to customer a notice of intent to subcontract, with justification, prior to issuance of a subcontract for performance of services or additional work. Upon approval by customer, a subcontract will be issued.

Section 21. Force Majeure.

21.1 For the purposes of this Agreement "Force Majeure" means, in relation to either Party, any circumstances beyond the control of that Party including but not limited to adverse weather conditions (in respect of the Test Flight), natural disasters, fires, floods, explosions, earthquakes, insurrection, riots, acts of terrorism, war and acts of Government.

21.2 If any Force Majeure event occurs in relation to either Party which affects the performance of its obligations under this Agreement, that Party shall promptly notify the other Party of such an event occurring, followed by confirmation in writing detailing the event and its effect, and an estimate of the length of time for which fulfillment of its obligations will be affected.

21.3 Neither Party shall be deemed to be in breach of this Agreement or shall otherwise be liable to the other for any delay in the performance of its obligations herein (excluding the obligation to promptly pay for Services and Additional Work performed), to the extent that such delay or non-performance is due to any Force Majeure event, and the time for performance of that obligation shall be extended accordingly.

21.4 Upon cessation of the Force Majeure event, the affected Party shall promptly inform the other Party of such cessation, and as soon as reasonably practicable thereafter, resume the performance of its obligations.

Section 22. Governing Law and Jurisdiction. This Agreement is governed by the laws of the State of California, with venue in California.

Section 23. Dispute Resolution.

23.1 Arista and Customer will, in good faith, use every effort to resolve promptly any dispute or claim concerning the existence, scope, meaning, construction, performance, enforcement, termination or effect of this Agreement or any issue arising, whether directly or indirectly, therefrom.

23.2 Either Customer or Arista may notify the other party in writing of the dispute, stating the nature of the dispute and their desired outcome. Both parties shall use their best efforts to resolve the dispute in a timely fashion.

23.3 In the event that any party commences or defends an action against the other to enforce any of the terms of this agreement or because of breach by either party of any of its terms, the prevailing party in such prosecution or defense shall recover from the non-prevailing or defaulting party all reasonable attorneys' fees, costs, and expense incurred in connection with the prosecution or defense of such action.

Section 24. Notices. All notices, requests, consents, claims, demands, waivers and other communications hereunder (each, a "Notice") shall be in writing and addressed to the Parties at the addresses set forth below their respective signature lines or to such other address that may be designated by a Party in writing. All Notices shall be delivered by personal delivery, nationally recognized overnight courier (with all fees prepaid), or certified or registered mail (in each case, return receipt requested, postage prepaid). Except as otherwise provided in this Agreement, a Notice is effective only (a) upon receipt of the receiving party, and (b) if the party giving the Notice has complied with the requirements of this Section.

Section 25. Assignment. Except as provided in Section 26 below, neither Party may assign this Agreement in whole or in part without the prior written consent of the other Party, and any assignment without such consent shall be void. Subject to the foregoing, the provisions herein will inure to the benefit of, and be binding upon, any such successor, corporation and any permitted assignees of the respective Parties hereto. Consent by either Party to such assignment in one instance will not constitute consent by either Party to any other assignment.

Section 26. Period of Agreement.

26.1 This Agreement shall become effective on the Effective Date.

26.2 Except as set forth in Sections 26.3 and 26.4, this Agreement will remain in force for a period of five (5) years (the "Term"). To exercise an early termination right set forth in Section 26.3, the applicable Party must deliver written notice to the other Party specifying (i) the occurrence giving rise to the early termination, and (ii) the effective date of termination.

26.3 Notwithstanding the foregoing either Party may without prejudice to any of its other rights and remedies, terminate this Agreement with immediate effect and without the need of judicial recourse if:

(a) the other Party is in default in the performance of any of its obligation under this Agreement and such default shall not be remedied within ten (10) days for defaults by Customer of its payment obligations or within thirty (30) days for all other defaults by Customer or Arista after written notice thereof to the other Party; or

(b) the other Party becomes insolvent, makes a general assignment for the benefit of its creditors or commits an act of bankruptcy or if a petition for its reorganization or the readjustment of its indebtedness be filed by or against it or if a receiver, trustee or liquidator of all or substantially all of its property be appointed.

26.4 In the event of a Change of Control (as defined below), Arista shall cause the purchaser or successor to assume this Agreement for an amount of time equal to *the lesser of* (i) two years, or (ii) the balance of the five year Term remaining at the time of a Change of Control. As used herein, the term "Change of Control"

shall mean (a) sale of all or substantially all of Arista's maintenance, repair and overhaul business, or (b) sale or transfer of more than 50% of the voting securities of Arista.

26.5 Notwithstanding termination each Party shall fulfill all obligations accrued under this Agreement prior to the time the termination becomes effective.

26.6 If Customer requests Arista to reassemble any Aircraft after termination, then Customer must pay for such work at Arista's standard hourly rates, and must deposit sufficient sums with Arista to pay its estimated costs and expenses.

26.7 The provisions of this Agreement which by their nature must survive termination or expiration of this Agreement in order to achieve its fundamental purposes will remain in force after any termination or expiration of this Agreement, including, but not limited to Sections 9, 10, 11, 14, 15, 17, 18, 19, 22, 23, 24, 26 and 31 shall survive the termination or expiration of this Agreement.

Section 27. Waiver and Severability.

27.1 Failure by either Party to enforce any of the provisions of this Agreement will not be construed as a waiver of such provision.

27.2 Nothing contained in this Agreement will require either Party to take any action contrary to the law or to any order or regulation of any government or contrary to any permit or authorization granted to either Party by any government. If any of the provisions of this Agreement are held unlawful or otherwise ineffective by any court of competent jurisdiction, the remainder of this Agreement will remain in full force and the unlawful or otherwise ineffective provision will be substituted by a new provision mutually agreed upon by Customer and Arista reflecting the intent of the provision so substituted.

Section 28. Entire Agreement, Headings. This Agreement embodies the entire Agreement and understanding of the Parties and as of its effective date, terminates and supersedes all prior or independent agreements and understandings between the Parties covering the same subject matter. The Section and paragraph headings contained herein are for convenience and reference and are not intended to define or limit the scope of any provisions of this Agreement. In the event of a conflict between the terms of the Agreement and any of its Schedules, Addenda or Exhibits, the terms of this Agreement shall supersede and control.

Section 29. Interpretation. This Agreement shall be construed without regard to any presumption or rule requiring construction or interpretation against the party drafting an instrument or causing any instrument to be drafted.

Section 30. Amendments. This Agreement shall not be modified except by written amendment signed by Customer and Arista by their respective duly authorized representatives.

Section 31. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one and the same instrument.

[Signature Page Follows]

EXECUTED by its duly authorized representatives on the day and year first above written.

ARISTA AVIATION SERVICES, LLC

By: 

Name: Richard A. Enderle

Title: President and CEO

Address: 690 Aviation Boulevard
Enterprise, AI 3630

SANTA BARBARA COUNTY FIRE DEPARTMENT

By: 

Name: Mark A. Hartwig

Title: Fire Chief

Address: 4410 Cathedral Oaks Rd.
Santa Barbara, CA 93110

1720432.16

SCHEDULE A

SERVICES

1. **AIRCRAFT INFORMATION**

Aircraft Model: HH60L
Registration Number: N964SB

2. **SCOPE OF WORK**

Final Scope of Work is set forth in **Addendum 1 to Schedule A**, attached hereto.

3. **INDUCTION DATE**

Expected Induction Date: 15 June 2019

4. **DELIVERY DATE**


Expected Delivery Date: 1 December 2019

(This is an "expected/estimated" date in accordance with Section 4.2 of the Agreement.)

[Signature Page Follows]

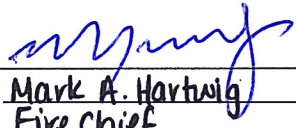
**SIGNATURE PAGE FOR SCHEDULE A
OF AIRCRAFT MAINTENANCE AND SERVICES AGREEMENT**

ARISTA AVIATION SERVICES, LLC

By: 
Name: Richard A. Enderle
Title: President and CEO

Address: 690 Aviation Boulevard
Enterprise, AL 3630

SANTA BARBARA COUNTY FIRE DEPARTMENT

By: 
Name: Mark A. Hartwig
Title: Fire Chief

Address: 4410 Cathedral Oaks Rd.
Santa Barbara, CA 93110

Addendum 1 to Schedule A Detailed Scope of Work Description

(a) **Scope and Pricing.** This Addendum details the current scope and estimated costs to complete. Items highlighted in yellow require additional information to provide a more accurate total cost. Any increase to current scope by customer may impact the quoted price. Any price increase over that identified in Addendum 1 to Schedule A, will be identified to customer for approval prior to commencement of work.

Assumptions:				
Labor hours are estimated as not to exceed. Any additional hours required will be quoted and customer approval required before commencement				
Special Tooling Provided by Arista				
Strip Included in PMI Cost				
Does not include repairs to unserviceable components found during inspection				
O&A Repairs will be quoted and approved prior to start @\$75 per hour				
O&A Material cost include a 9% Material Handling Fee (unless customer provided)				
Quote valid for 90 days				
MTP Time is for Post PMI Functional Test Flight				

TASK	Quantity	LABOR HOURS	LABOR COST	MATERIAL COST
Avionics				
Design and install laser cut instrument panel	1		\$ 2,000.00	\$ 500.00
Astronautics Roadrunner EFIS	2	150	\$ 11,250.00	\$ 95,000.00
Install A/L master caution panel (supplied by us)	1	60	\$ 4,500.00	
Garmin GTN 750 NAV/COMM/GPS - HTAWS (NVG compliant)	2	300	\$ 22,500.00	\$ 40,000.00
Garmin GTX345R (remote) ADSB / Bluetooth transponder (NVG)	1		\$ -	\$ 5,000.00
Garmin Antenna /Splitter/Encoder			\$ -	\$ 3,750.00
Install slant mounts for GTN750 radios			\$ 2,000.00	\$ 500.00
SkyTrac aircraft tracker Install	1	50	\$ 3,750.00	\$ 2,500.00
Mid-Continent - Standby Attitude Module	1	25	\$ 1,875.00	\$ 9,500.00
406 ELT	1	25	\$ 1,875.00	\$ 3,975.00
AEM LSC22 siren controller	1	200	\$ 15,000.00	\$ 2,925.00
AEM dual horn PA speaker system	1		\$ -	\$ 4,015.00
Loud Speaker Amplifier	1		\$ -	\$ 6,025.00
PA/Siren Mounting Hardware			\$ -	\$ 18,450.00
10 Pin forrest service connector	1	50	\$ 3,750.00	\$ 1,165.00
Precise Flight pulsellights	2	50	\$ 3,750.00	\$ 8,500.00
Jupiter Avionics / JA72-210 Glove box W/USB charger	2	10	\$ 750.00	\$ 2,750.00
Jupiter Avionics / JA34-BT1 Universal Radio Adapter	1		\$ -	\$ 950.00
Becker Avionics comm panels REU6100-3-(110) equipped with EM6100	5	300	\$ 22,500.00	\$ 52,950.00
Install 10 drop cord locations with talk capability for six	10	Incl w/Becker	\$ -	\$ -
TDFM9300 (NVG) FM radio W/remote RC9000 (NVG) crew chief display	1	150	\$ 11,250.00	\$ 89,731.00
Remove heads up display helmet cords and system	2		\$ -	
Install HOBBS on collective OR gear squat switch	1	1.5	\$ 1,125.00	\$ 27.50
Install 8-10" Boland monitor for snorkel	1	25	\$ 1,875.00	\$ 5,500.00
Install tank cameras - TBD	3	TBD	\$ -	
Delete INOP system antennas - Included in weight savings			\$ -	\$ -
Relocate ignition key to lower center main panel	1	5	\$ 375.00	\$ -

External Hoist				
Remove Breeze Eastern hoist / replace with Goodrich	1	5	\$ 375.00	\$ 140,500.00
Install provision for pendant controlled tank searchlight	1	10	\$ 750.00	\$ -

Airframe				
PMI 1&2 reset	1	4000	\$ 300,000.00	\$ 27,500.00
Aircraft Paint per provided rendering	1	750	\$ 56,250.00	\$ 10,000.00
Main rotor blade striping and inspections (Heli-Blade, CA)			N/A	\$ -
Tail rotor blade striping and inspections (Heli-Blade, CA)			N/A	\$ -
Cargo hook load test / recert (repairs not included)	1		\$ 3,880.00	
Install gunner windows	2	550	\$ 41,250.00	\$ 40,690.00
Install sliding pilot and co-pilot crew door vent windows		TBD	\$ -	\$ 17,500.00
AeroMetals straight exhaust		50	\$ 3,750.00	\$ 98,795.00
Install SX16 searchlight provided by Santa Barbara County		200	\$ 15,000.00	\$ -
Install pilot collective searchlight control		TBD	\$ -	\$ -
Install Meeker mount for searchlight		25	\$ 1,875.00	\$ 15,000.00
Assess items that can be removed for additional weight savings		250	\$ 18,750.00	\$ -
Remove CHAFF / FLARE system			\$ -	\$ -
Remove medical interior, OBOGS system & overhead lightbar system			\$ -	\$ -
Remove FLIR system and associated wiring			\$ -	\$ -
	SUB-TOTALS	NTE LABOR	\$ 552,005.00	\$ 703,698.50
		TOTAL	\$	\$ 1,255,703.50

(b) **Milestone Payment Schedule.** - Upon execution of the service agreement, an initial deposit in the amount of \$353,713.50, equal to the material cost of avionics equipment (net 30). Future Milestone Billings will be sent on a monthly basis. The billings will be for work that is accomplished during the billing period. The billing will be created on the last day of the Arista accounting month (all payments due net 30). Please see schedule below for the billing schedule:

Milestone #1 – August 3, 2019 (Work from aircraft arrival date and month of July)

Milestone #2 – August 31, 2019 (Work for month of August)

Milestone #3 – September 28, 2019 (Work for month of September)

Milestone #4 – November 2, 2019 (Work for month of October)

Milestone #5 – November 30, 2019 (Work for month of November)

(c) **Final Invoice and Payment.** No later than thirty (30) days following Redelivery of the Aircraft, Arista shall issue a final invoice for all other charges associated with Services performed on the Aircraft (excluding late invoices from Arista's goods and services providers which may be invoiced subsequently after receipt of such invoices) ("Final Invoice"). Estimated amounts shall be finalized and reconciled in the Final Invoice. No Customer claims for reimbursement, rebate or credit will be considered if made more than sixty (60) days after Customer's receipt of the Final Invoice.

(d) **Invoice Delivery and Notices.** Each invoice and notice shall be submitted in electronic or physical form to the following address:

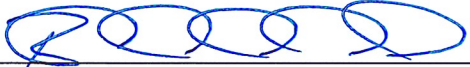
Name: Santa Barbara County Fire Headquarters
Attention: Finance
4410 Cathedral Oaks Rd.
Santa Barbara, CA 93110

Telephone: 805-681-5500
Email:AccountsPayable@sbcfire.com

[Signature Page Follows]

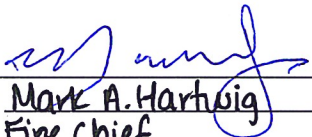
**SIGNATURE PAGE FOR ADDENDUM 1 to SCHEDULE A
Detailed Scope of Work Description**

ARISTA AVIATION SERVICES, LLC

By: 
Name: Richard A. Enderle
Title: President and CEO

Address: 690 Aviation Boulevard
Enterprise, AL 3630

SANTA BARBARA COUNTY FIRE DEPARTMENT

By: 
Name: Mark A. Harthwig
Title: Fire chief

Address: 4410 Cathedral Oaks Rd.
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