POLICE HELICOPTER SERVICES AGREEMENT

This Police Helicopter Services Agreement (this "Agreement") is effective as of July 1, 2013 (the "Effective Date"), by and between Airwest Helicopters LLC, an Arizona corporation ("AIRWEST"), and City of Glendale ("CITY"), (AIRWEST and CITY, collectively, the "Parties," individually, a "Party").

RECITALS

A. **WHEREAS**, AIRWEST provides Police Helicopter services; and

B. **WHEREAS**, CITY has identified the opportunity to improve customer service to its taxpayers and more effectively monitor traffic conditions and deliver law enforcement services, which are core to its mission; and

C. **WHEREAS**, CITY and AIRWEST have agreed to work cooperatively to, on an as-needed basis, provide police helicopter services for events at the University of Phoenix Stadium, Glendale Arena and the surrounding area.

NOW, THEREFORE, in consideration of the mutual covenants contained in this Agreement, the Parties agree as follows:

AGREEMENT

1. Services Provided by AIRWEST:

1.1 Types of Services. AIRWEST will provide police helicopter services as specified in this Agreement.

1.2 Cost and Description of Services. AIRWEST will provide an Enstrom F28F helicopter ("Aircraft") for police operations for Three Hundred Seventy-Five ($375) per hour, if CITY supplies a rated qualified, pilot or Four Hundred Thirty-Five Dollars ($435) per hour, if AIRWEST supplies a rated qualified, pilot. This cost will include all costs and expenses for the aircraft, fuel and insurance. The pilot in command of the aircraft at the time shall have complete power and authority to make and shall make all decisions concerning the suitability of weather and landing areas, condition of the aircraft for flight, and all other factors affecting flight safety. In accordance with Federal Aviation Regulations, the pilot in command of the Aircraft will at all times maintain "Operational Control" of the Aircraft.

2. **Services Provided by CITY:**

   2.1 CITY will provide at least one officer for every flight to act as an observer and to communicate information back to the ground.

   2.2 Dispatch Services. CITY will provide all dispatch and communication services related to CITY activities. Such personnel provided by CITY shall be either employees or contractors of CITY and under the control of CITY. AIRWEST is responsible for communication activities related to safe operation in the airspace.

   2.3 CITY may supply a qualified, rated pilot to act as pilot in command. In the event that CITY is unable to supply such a pilot, then AIRWEST will supply the pilot in command.

3. **Utilization of Corporate Identity or Likeness.** AIRWEST and CITY will use their reasonable efforts to participate in mutually-beneficial public relations and marketing activities. Neither AIRWEST nor CITY will utilize the others' markings or identities without permission from the other Party.

4. **Relationship of the Parties**. The relationship of the Parties as set forth in this Agreement is that of provider and customer. AIRWEST shall be an independent contractor of CITY pertaining to Flight Services. Nothing in this Agreement is intended or shall be construed as creating any kind of partnership, joint venture, or agency relationship between the Parties.

5. **Term.** Subject to Section 10.3, this Agreement shall be in effect for a period of twelve (12) months, commencing on July 1, 2013, and terminating on June 30, 2014 (the "Term"). This Agreement may be renewed for an additional twelve month period (July 1, 2014 to June 30, 2015) at the sole discretion of CITY. CITY should exercise this option on or before June 1, 2014 by notifying AIRWEST in writing at the address given below.

6. **Representations, Warranties and Covenants of AIRWEST**. AIRWEST hereby represents, warrants and covenants as follows:

   6.1 Organization. AIRWEST is a limited liability company duly organized, validly existing, and in good standing under the laws of the State of Arizona, and has the power and authority to execute, deliver and perform its obligations under this Agreement. AIRWEST is qualified and authorized to do business in the State of Arizona.

   6.2 Authorization. The execution, delivery and performance of AIRWEST of this Agreement have been authorized by all necessary corporate action on the part of AIRWEST.

6.3 FAA Regulations. AIRWEST shall comply with all regulations of the Federal Aviation Administration ("FAA") pertaining to helicopter services being furnished by AIRWEST under this Agreement and, in that connection, AIRWEST represents that each Aircraft, pilot and mechanic is properly licensed and certified and meets the minimum requirements as set forth in the applicable FAA regulations. AIRWEST will defend, save, hold harmless, and indemnify the CITY and any affiliated CITY program participants from any liability, direct or indirect, including legal defense costs, arising from any act(s) and/or omission(s) of AIRWEST and/or AIRWEST's contractor(s) in connection with the rights and duties arising from this provision. AIRWEST shall select, manage, and pay the legal defense costs as a part of the indemnity obligation including any judgment amounts awarded.

7. Representations, Warranties and Covenants of CITY. CITY hereby represents, warrants and covenants as follows:

7.1 Organization. CITY is a duly organized municipal corporation validly existing and in good standing under the laws of the State of Arizona, and has the power and authority to execute, deliver and perform its obligations under this Agreement.

7.2 Authorization. The execution, delivery and performance of CITY of this Agreement have been authorized by all necessary government action on the part of CITY.

7.3 Governmental Approvals. CITY has obtained, and shall maintain and keep in force, all consents, licenses, permits, approvals and authorization of federal, state and local governmental authorities which may be required to execute, deliver and perform its obligations under this Agreement.

8. AIRWEST Insurance Requirements.

8.1 Policies and Amounts. AIRWEST shall, during the Term or any extended term, maintain the following minimum insurance coverage:

(a) All risk ground and flight aircraft hull insurance. Coverage shall waive right of subrogation against the CITY.
(b) Aircraft liability insurance covering injuries to passengers or third parties and damage to property in an amount not less than $5,000,000 for any one accident or series of accidents arising out of any one event.
(c) Workers' compensation insurance for its employees at Arizona statutory limits.
(d) With the exception of Workers' compensation insurance, to the extent of AIRWEST's Indemnification Obligation, CITY shall be named as additional named insured on each and every one of AIRWEST's policies described in paragraph (b) above to the full limits available. AIRWEST insurance coverage

shall be primary insurance and non-contributory with respect to all other available sources.

8.2 CITY shall, during the Term or any extended term, maintain the following minimum insurance coverage:

(a) Commercial general liability insurance in an amount not less than $5,000,000 per occurrence and shall name AIRWEST Group as additional insured.
(b) Workers' Compensation insurance for its employees at Arizona statutory limits.

9. Indemnification. The Parties agree to indemnify each other (the "Indemnification Obligations") as follows:

9.1 AIRWEST's Indemnification Obligations. AIRWEST agrees to defend, protect, indemnify and hold harmless the CITY, its and their respective directors, officers, agents, employees, representatives and agents (collectively, "CITY"), from every kind or character of damages, losses, liabilities, expenses, demands or claims (collectively, "Losses") arising out of, connected with, incident to, resulting from or relating to, the performance of flight services under this Agreement or the operation of the program after the Effective Date, to the extent such Losses are caused by the negligence or fault of any member of AIRWEST, which obligation shall not be diminished in any regard if such Losses were caused in part by the concurrent or joint negligence, either active or passive, of CITY.

9.2 CITY's Indemnification Obligations. CITY agrees to defend, protect, indemnify and hold harmless AIRWEST, its subsidiaries, affiliates and subcontractors and their respective directors, officers, agents, employees, representatives and agents (collectively "AIRWEST") for Losses, to the extent and only to the extent such losses are directly related and caused by the negligence or fault of any member of CITY.

9.3 Limitations. Neither AIRWEST nor CITY shall indemnify the other Party for any Losses resulting from the willful or negligent acts of the other Party or members of its organization. In no event, whether as a result of contract, tort, strict liability or otherwise, shall either Party be liable to the other for any punitive, special, indirect, incidental or consequential damages, including without limitation loss of profits, loss of use or loss of contract. The Indemnification Obligations shall not be reduced by any insurance coverage or insurance proceeds a Party may have with respect to a claim.

9.4 Procedures. Upon written request by a Party entitled to indemnification pursuant to this section (the "Indemnitee"), the other Party (the "Indemnitor") shall pay the reasonable expenses incurred in defending any claim in advance of its final

disposition. AIRWEST or CITY shall promptly notify the other Party of the existence of any claim, or the threat of any claim, to which the Indemnification Obligations might apply. The Indemnitor shall select, manage, and pay the legal defense costs as a part of the indemnity obligation including any judgment amounts awarded. Each indemnitee shall have the right, at its option and sole expense, to participate in the defense or claim without relieving the indemnitor of any obligation hereunder. The Indemnitee shall cooperate and comply with all reasonable requests that the Indemnitor may make in connection with the defense and any settlement of a claim.

9.5 Duration. The Indemnification Obligations shall continue after the termination of this Agreement, and all rights associated with the Indemnification Obligations shall inure to the benefit of the successors or assigns of AIRWEST and CITY.

10. Miscellaneous.

10.1 Force Majeure. Neither Party shall be liable to the other Party for failure to perform its respective obligations under this Agreement if and to the extent that such failure results from causes beyond the non-performing Party's reasonable control, including without limitation such causes as strikes, lockouts, riots, fires, floods or other weather conditions, natural disasters, acts of God, acts of public enemy, or any regulations, orders or requirements of any duly authorized governmental body or agency (collectively, "Force Majeure"). If either Party is unable to perform as a result of Force Majeure, it shall promptly notify the other Party in writing of the beginning and estimated ending of each such period. If any period of Force Majeure continues for thirty (30) days or more, the Party not so failing in performance shall have the right to terminate the Agreement upon written notice to the other Party. Notwithstanding anything contained herein to the contrary, AIRWEST shall use its commercially-reasonable efforts to provide a backup Aircraft and associated flight services as required by this Agreement during the period of Force Majeure.

10.2 Default. A material breach by either Party of any representation, warranty or covenant contained in this Agreement or the failure of either Party to comply with any material terms or conditions set forth in this Agreement shall constitute an event of default ("Default").

10.3 Termination. This Agreement shall terminate and, except as otherwise set forth herein, shall be of no further force and effect ninety (90) days after the non-defaulting Party provides the defaulting Party with written notice of a Default (the "Cure Period"), unless the non-defaulting Party cures the Default prior to the expiration of the Cure Period. Further, this Agreement may be terminated by reason of Force Majeure, as set forth in Section 10.1 above.

10.4 Severability. In the event that any provision of this Agreement is determined to be unlawful or contrary to public policy, such provision shall be severed herefrom, shall be deemed null and void, but shall in no way affect the remaining provisions outlined herein.

10.5 Proprietary Information. AIRWEST shall cause its employees, agents and affiliates to hold as confidential all criminal history information and all information relating to CITY's business, and the terms and conditions of this Agreement. CITY shall cause its employees, agents and affiliates to hold confidential all information relating to AIRWEST's business and the terms and conditions of this Agreement, except as otherwise reasonably necessary for CITY's routine business functions as a business associate.

10.6 Assignment. Neither Party shall assign this Agreement, in whole or in part, without the prior written consent of the other Party.

10.7 Waiver. The waiver by one Party of any breach or failure of the other Party to perform any covenant or obligation contained in this Agreement shall not constitute a waiver of any subsequent breach or failure.

10.8 Entire Agreement. This Agreement and any exhibits or schedules attached thereto or referred to herein, represent the entire agreement between the Parties, with respect to the subject matter hereof, all other prior agreements being merged herein, and this Agreement shall not be modified except in writing signed by the Party against whom such modification is sought to be enforced.

10.9 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Arizona.

10.10 Notice. All notices relating to this Agreement shall be deemed given when mailed, by certified or registered mail, or overnight courier, to the other Party at the address set forth below or such other address as may be given in writing from time to time:

To CITY:
Glendale Police Department
ATTN: Chief Debora Black
6835 North 57th Drive
Glendale, AZ 85301
Telephone: (623) 930-3074
FAX: (623) 931-2103

With a copy to:
Glendale City Attorney
5850 West Glendale Avenue
Glendale, AZ 85301

If to AIRWEST: Airwest Helicopters, LLC.
Attn: Mr. Boatman, President
6791 North Glen Harbor Blvd
Glendale, AZ 85307

10.11 E-verify. To the extent applicable under A.R.S. § 41-4401, each Party and its respective subcontractors warrant compliance with all federal immigration laws and regulations that relate to its employees and compliance with the E-verify requirements under A.R.S. § 23-214(A). A Party's or its subcontractors' breach of the above-mentioned warranty shall be deemed a material breach of the Agreement and may result in the termination of the Agreement by a non-breaching Party under the terms of this Agreement.

10.12 Sudan and Iran. Pursuant to A.R.S. §§ 35-391.06 and 35-393.06, the Parties certify that they do not have scrutinized business operations in Sudan or Iran. For the purpose of this subsection the term "scrutinized business operations" shall have the meanings set forth in A.R.S. § 35-391 or 35-393, as applicable. If one Party determines that the other Party submitted a false certification, the non-breaching Party may impose remedies as provided by law including terminating this Agreement.

10.13 Recitals. The recitals contained in the first portion of this Agreement are made an integral part of this Agreement.

IN WITNESS HEREOF, the Parties, through their respective undersigned authorized officers, have duly executed this Agreement as of the Effective Date.

AIRWEST:
Airwest Helicopters, LLC, an Arizona
limited liability company

X _____

Name: Bryan Boatman

Title: Member

CITY:
CITY OF GLENDALE, an Arizona municipal corporation

Horatio Skeete, Acting City Manager

ATTEST:

Pamela Hanna, City Clerk (SEAL)

APPROVED AS TO FORM:

City Attorney