

**CITY CLERK
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**C-8755
01/14/2014**

**Intergovernmental Agreement
Between the City of Glendale and the Fire District of Sun City West
for
Helicopter Air-Medical Logistics Operations
(H.A.L.O.)**

THIS INTERGOVERNMENTAL AGREEMENT ("IGA") is entered into this 14th day of January, 2014 pursuant to Arizona Revised Statutes § 11-952 between the City of Glendale, an Arizona municipal corporation ("Glendale") and the Fire District of Sun City West, a political subdivision of the State of Arizona ("Sun City West"), for their respective fire departments (hereinafter collectively referred to as the "Departments" and individually as a "Department").

WHEREAS, Glendale has an existing contract with PHI AIR MEDICAL L.L.C., a Louisiana limited liability company ("PHI"), Contract No. 6067 and its first amendment No. 6067-1 which is attached hereto as Exhibit A; and

WHEREAS, Glendale and PHI have agreed to work cooperatively to establish a public-private air medical program to provide air medical transportation and other emergency services to the residents of the City of Glendale and its automatic aid and mutual aid partners; and

WHEREAS, the Departments are parties to the automatic aid agreement for Maricopa County; and

WHEREAS, the Departments desire to provide firefighter paramedic services to support the staffing of one or more medical helicopters in conjunction with the PHI contract; and

WHEREAS, the Departments desire to provide emergency medical, special operations, aerial reconnaissance, command and control and other services to automatic aid and mutual aid jurisdictions and communities within the prescribed response areas of Helicopter Air-Medical Logistics Operations ("H.A.L.O.") medical transport aircraft.

NOW, THEREFORE, the Departments hereby agree to enter into this IGA to cooperatively provide the necessary firefighter paramedics, emergency medical services and special operations personnel services to support the H.A.L.O. program, as needed, according to the terms and conditions set forth below.

I. Purpose.

The purpose of this IGA is to provide fire services personnel to co-staff H.A.L.O. program in Glendale. H.A.L.O. will provide pre-hospital emergency medical and other fire service in the Departments' jurisdictions and in other automatic aid jurisdictions within the state of Arizona (hereinafter referred to as "Fire Department Consortium"). Through this IGA, the Departments intend to provide air medical transport personnel, emergency on scene command and control, EMS and special operations services by maximizing cooperation and integrating the Departments' personnel assets.

II. Organizational Structure.

The Departments shall each provide qualified personnel to staff the H.A.L.O. program. Personnel provided by a Department are hereinafter referred to as "Participating Personnel". Glendale will provide four (4) Participating Personnel and Sun City West shall provide one (1) Participating Personnel. Each Department shall also have at least one qualified back-up person for each Participating Personnel position. The Departments acknowledge and agree that this IGA may be amended to access additional personnel for the program, if required. H.A.L.O. program participation will be limited to automatic aid jurisdictions in Maricopa County. It is agreed that no new IGA will be entered into with any additional department related to the subject of this Agreement, nor will any amendment to this IGA be made regarding an additional department, except upon the consensus of the Departments.

III. H.A.L.O. Personnel.

A. The personnel qualifications and requirements for H.A.L.O. personnel are set forth in the H.A.L.O. Operations Manual, and the Departments agree that all Participating Personnel will comply with such qualifications and requirements.

B. General Orders: Participating Personnel shall be subject to both their "home" department's General Orders and the H.A.L.O. Operations Manual. If a conflict arises between one's "home" department General Orders and the H.A.L.O. Operations Manual, the H.A.L.O. Operations Manual will apply.

C. Discipline/Personnel Review: If, in the reasonable opinion of PHI or any Department, any Participating Personnel do not demonstrate a high degree of aptitude for the type of operations or customer service required for the H.A.L.O. program, including good interpersonal relations, PHI or any Department may make a written request to the Glendale Fire Chief to conduct a prompt review of the performance of the individual and to take appropriate action. Glendale reserves the right to "ground" personnel pending decision of a review board. All such employment actions will be handled by Glendale on a case-by-case basis. If, at anytime, the conduct or performance of Participating Personnel comes into question, Glendale will convene a review board comprised of one representative from each Department, PHI, and the Medical Directors. The review board shall have the authority to disqualify any individual from further participation in the program. The decision of the review board may be appealed, upon written request of the individual, to an appeal board comprised of the Fire Chief, or designee, of each Department and a PHI designee. The action of the board shall not prevent additional disciplinary action by the Departments for violations of General Orders, policies or procedures.

D. Command and Control:

1. All Departments acknowledge that command and control of daily (non-incident) operational issues shall be Glendale's duty and responsibility. Command and control of H.A.L.O. Participating Personnel during incidents will remain the responsibility of the assigned Incident Commander.

2. A H.A.L.O. Operations Manual will be promulgated and maintained by Glendale. This manual will address operational issues including, but not limited to, command, control, training, administration and marketing. Glendale will promptly notify the Departments of any changes in the H.A.L.O. Operations Manual.
3. In the event a Department fails to provide Participating Personnel for a shift, Glendale shall assign qualified personnel from the Glendale Fire Department or from another participating Department.

E. Compensation:

1. Sun City West will provide personnel and be reimbursed at the initial rate of \$41.20 per hour for each hour a H.A.L.O position is occupied by provided Participating Personnel. Incremental payments will be made each month by Glendale. Sun City West shall invoice Glendale monthly, no later than the 10th of each month. Sun City West will only receive payment for time worked in a H.A.L.O. position. Adjustments in the future reimbursement rate will be governed by the contract between PHI and Glendale and will be the same for all Departments.
2. Each Department shall be individually responsible for the payment of wages, including overtime, for its Participating Personnel.
3. Payment by Glendale to a Department is to be made within 30 days of receipt of an invoice.

F. Uniform:

H.A.L.O personnel will wear such uniforms as prescribed in the H.A.L.O. Operations Manual.

IV. Insurance/Indemnification.

A. Each Department will assume responsibility for all liabilities relating to its Participating Personnel and will save harmless, defend and indemnify all other Departments in any actions related to such employment.

B. Each Department will maintain responsibility for all of their own employees' sick leave, vacation, alternative duty assignments, workman's compensation and other associated life insurance requirements. Glendale will only insure Glendale personnel related to the H.A.L.O. project and Sun City West will only insure Sun City West personnel related to the H.A.L.O. project. The Departments further agree that they are not joint employers for the purpose of workers compensation coverage and that any Department's employee assigned to work as Participating Personnel shall remain an employee of such Department. To the extent that employees of one Department performs duties on behalf of another Department, such employee shall be deemed to be an "employee" of both public agencies while performing pursuant to this Agreement solely for purposes of ARIZ. REV. STAT. § 23-1022 and the Arizona Workers' Compensation laws. The primary employer shall be solely liable for any workers'

compensation benefits, which may accrue. Each Party shall post a notice pursuant to the provisions of ARIZ. REV. STAT. § 23-1022 in substantially the following form:

“All employees are hereby further notified that they may be required to work under the jurisdiction or control or within the jurisdictional boundaries of another public agency pursuant to an intergovernmental agreement or contract, and under such circumstances they are deemed by the laws of Arizona to be employees of both public agencies for the purposes of worker’s compensation.”

C. Each Department (as “Indemnitor”) agrees to indemnify, defend, and hold harmless the other party (as “Indemnitee”) from and against any and all claims, losses, liability, costs, or expenses (including reasonable attorney’s fees) (hereinafter collectively referred to as “Claims”) arising out of bodily injury of any person (including death) or property damage, but only to the extent that such Claims which result in vicarious/derivative liability to the Indemnitee are caused by the act, omission, negligence, misconduct, or other fault of the Indemnitor, its officers, officials, agents, employees, or volunteers.

V. Media Releases and Relations.

Any release of information to the media pertaining to H.A.L.O., other than a public records release, will be coordinated by the Glendale Fire Department Public Information Officer (“Glendale PIO”) in cooperation with and with input from the Departments. No Department will distribute any unilateral media releases without prior coordination with the Glendale PIO. A copy of all public record and media releases regarding H.A.L.O. shall be provided to the Glendale PIO. Departments will not reveal any investigative information or operational procedures of the H.A.L.O. project outside the Departments except as required by law or competent authority. If an incident is primarily focused upon or concerned with the actions of a Department’s Participating Personnel, that Department will be responsible for the release of information to the media relative to the incident.

VI. Arizona Department of Health Services Certification.

A. Relative to its Participating Personnel, each Department agrees that it will be responsible to the Arizona Department of Health Services (“ADHS”) for complying with all requirements mandated by ADHS for Emergency Medical Technicians (EMTs). By way of example only, and not by way of limitation, this means each Department, relative to its Participating Personnel, agrees to be responsible to ADHS for the record-keeping, training and testing requirements imposed upon fire departments employing personnel in Arizona.

B. Departments agree to cooperate to assure any issues that arise relative to EMT certification are resolved in a reasonable and efficient manner.

VII. Execution, Duration and Renewal.

A. This IGA will be effective upon the approval and execution by Glendale and Sun City West.

B. This IGA may be executed in counterparts.

C. This IGA will remain in effect through June 25, 2015, subject to the renewal and termination provisions set forth below.

D. This IGA may be renewed for successive additional 18-month periods upon mutual written agreement of the parties.

VIII. General Provisions.

A. Entire Agreement. This IGA embodies the entire understanding of the Departments and supersedes any other agreement or understanding between the parties relating to the subject matter. The Departments agree that should any part of this IGA be held to be invalid or void, the remainder of the IGA shall remain in full force and effect and shall be binding upon the parties.

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

C. Conflict of Interest. This IGA is subject to the provisions of A.R.S. § 38-511.

D. Termination. Either party may terminate this IGA by giving the other party not less than thirty (30) days prior written notice.

E. Dispute Resolution. In the event of any dispute, claim, question, or disagreement arising from or relating to this IGA or the breach thereof, the parties hereto shall use their best efforts to settle the dispute, claim, question, or disagreement. To this effect, they shall consult and negotiate with each other in good faith and, recognizing their mutual interests, attempt to reach a just and equitable solution satisfactory to both parties. If that fails, the matter shall be submitted to a body consisting of one voting representative from each Department plus a third member mutually agreed upon by the Departments for a majority vote recommendation. The Fire Chief of Glendale has the final authority to decide and resolve the dispute, claim, question or disagreement.

F. The provisions of this Agreement for payment of funds by the Parties shall be effective when funds are appropriated for purposes of this Agreement and are actually available for payment. The Parties shall be the sole judge and authority in determining the availability of funds under this Agreement and each Party shall keep the other Parties fully informed as to the availability of funds for its program. The obligation of the Parties to make any payment pursuant to this Agreement is a current expense of the Parties, payable exclusively from such annual appropriations, and is not a general obligation or indebtedness of the Parties. If the City Councils of the Parties fail to appropriate money sufficient to pay the reimbursements as set forth in this Agreement during any immediately succeeding fiscal year, this Agreement shall terminate at the end of then-current fiscal year and the Parties shall be relieved of any subsequent obligation under this Agreement.

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

If to Glendale: Glendale Fire Department
 Attn: Fire Chief
 5800 West Glenn Drive, Suite 350
 Glendale, Arizona 85301

with a copy to: Glendale City Attorney
 5850 West Glendale Avenue, Suite 450
 Glendale, Arizona 85301

If to Sun City West: Sun City West Fire Department
 Attn: Fire Chief
 18818 North Spanish Garden Drive
 Sun City West, Arizona 85375

H. Immigration Compliance: The Departments warrant they will abide by those federal and state immigration laws and regulations applicable to its employees. The Departments retain the legal right to inspect the papers of the Departments to ensure that the Departments are compliant with the warranty under this Section. The Departments may conduct random inspections, and upon request of a Department, the other Department shall provide copies of papers and records demonstrating continued compliance with the warranty under this Section. The Departments agree to keep papers and records available for inspection during normal business hours and will cooperate with the other Department in exercise of its statutory duties and not deny access to its business premises or applicable papers or records for the purposes of enforcement of this Section. The Departments' warranty and obligations under this Section are continuing throughout the term of this IGA or until such time as the Departments determine that Arizona law has been modified in that compliance with this Section is no longer a requirement. The "E-Verify Program" means the employment verification program administered by the United States Department of Homeland Security, the Social Security Administration, or any successor program.

[SIGNATURES FOR ALL PARTIES FOLLOW]

FIRE DISTRICT OF SUN CITY WEST,
a political subdivision of the State of Arizona

DATE: 1-21, 2013

David Wilson
Board Chairman

ATTEST:

Dany Mester
Board Clerk

CERTIFICATION BY LEGAL COUNSEL

The foregoing Intergovernmental Agreement is in proper form and is within the powers and authority of the Fire District of Sun City West granted under the laws of the State of Arizona.

APPROVED AS TO FORM AND AUTHORITY:

[Signature]
Fire District of Sun City West Attorney

CITY OF GLENDALE

DATE: 1/23/14, 2013

Bretscher
Brenda S. Fischer
City Manager

ATTEST:

[Signature]
City Clerk

CERTIFICATION BY LEGAL COUNSEL

The foregoing Intergovernmental Agreement is in proper form and is within the powers and authority of the City of Glendale granted under the laws of the State of Arizona.

APPROVED AS TO FORM AND AUTHORITY:

[Signature]
Glendale City Attorney

EXHIBIT A

Air Ambulance Service Agreement (Contract. No. C-6067)
Between City of Glendale and PHI Air Medical L.L.C.
And
Amendment No. 1 to Air Ambulance Service Agreement (Contract No. C-6067-1)

EXHIBIT A

C-6067-1
06/04/2012

AMENDMENT NO. 1
TO
AIR AMBULANCE SERVICE AGREEMENT
(Contract No. C-6067)

This Amendment No. 1 to the Air Ambulance Services Agreement (this "Amendment") is made this ~~4th~~^{1st} day of ~~May~~^{June}, 2012, by and between the City of Glendale, an Arizona municipal corporation ("City") and PHI AIR MEDICAL, L.L.C., a Louisiana limited liability company authorized to do business in Arizona ("Contractor").

RECITALS

- A. City and Contractor's predecessor in interest, PHI, Inc., previously entered into an Air Ambulance Services Agreement, Contract No. C-6067, dated June 26, 2007 ("Agreement"); and
- B. City and Contractor wish to modify and amend the Agreement by extending the term, subject to and strictly in accordance with the terms of this Amendment.

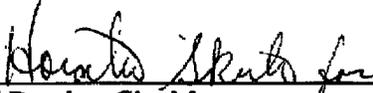
AGREEMENT

In consideration of the mutual promises set forth herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the City and Contractor hereby agree as follows:

1. **Recitals.** The recitals set forth above are not merely recitals, but form an integral part of this Amendment.
2. **Term.** The term of the Agreement is extended for one successive three (3) year period from June 26, 2012 through June 25, 2015, unless otherwise terminated or canceled as provided by the Agreement.
3. **Insurance Certificate.** The existing insurance certificate is expiring and a new certificate applying to the extended term is required and must be received by the Glendale Fire Chief before June 26, 2012.
4. **Ratification of Agreement.** City and Contractor hereby agree that except as expressly provided herein, the provisions of the Agreement shall be, and remain in full force and effect and that if any provision of this Amendment conflicts with the Agreement, then the provisions of this Amendment shall prevail.

[Signatures to appear on following page.]

CITY OF GLENDALE, an Arizona
municipal corporation



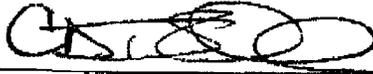
Ed Beasley, City Manager

ATTEST:



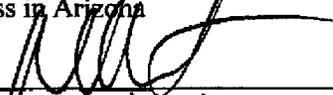
Pamela Hanna, City Clerk (SEAL)

APPROVED AS TO FORM:



Craig Tindall, City Attorney

PHI AIR MEDICAL, L.L.C., a Louisiana
limited liability company, authorized to do
business in Arizona



By: David Motzkin
Its: Director, PHI Air Medical

AIR AMBULANCE SERVICES AGREEMENT

This Air Ambulance Services Agreement (this "Agreement") is effective as of June 26, 2007 (the "Effective Date"), by and between PHI INC., a Louisiana corporation ("PHI"), and City of Glendale ("Glendale"), (PHI and Glendale, collectively, the "Parties," individually, a "Party").

RECITALS

- A. WHEREAS, PHI provides air medical transportation services and;
- B. WHEREAS, Glendale has identified the opportunity to improve customer service to its constituents and more effectively deliver emergency services, which are core to its mission and;
- C. WHEREAS, Glendale and PHI have agreed to work cooperatively to establish a public-private air medical program to provide air medical transportation and other emergency services to the residents of the City of Glendale and its automatic aid and mutual aid partners and;

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

AGREEMENT

1. Services Provided by PHI.

- 1.1 Air Medical Transport Services. As authorized in accordance with this Agreement, PHI shall air transport patients (each, an "Emergency Flight") in accordance with (i) local, State and Federal protocols, (ii) Glendale protocols in existence on the Effective Date which have been furnished to PHI on or before the Effective Date and (iii) Glendale protocols as they may be amended after the Effective Date which have been furnished to PHI and approved by PHI (which approval will not be unreasonably withheld).
- 1.2 Types of Services. PHI will provide helicopter ambulance services as specified in this Agreement.
- 1.3 Flight Service Guidelines. PHI shall provide air ambulance flight services (the "Flight Services") in accordance with the standards set forth by the Commission on Accreditation of Medical Transport Services ("CAMTS"). PHI agrees to obtain CAMTS accreditation for the Program as soon as practical. The Medical Director (as defined below) for the Program working with the assigned PHI Manager of Clinical Standards shall establish standards for appropriate patient care during air transport.

- 1.4 **Program Activities.** PHI shall provide one (1) turbine engine helicopter with service available twenty-four (24) hours a day, three hundred sixty-five (365) days per year, except for maintenance and repair activities, which shall be available on a commercially reasonable basis at cost to PHI. The helicopter shall be based in the City of Glendale Municipal Airport located at 6791 N. Glen Harbor Blvd, Glendale, Arizona. In the event that another site is required, a mutually agreed upon location shall be selected by the Parties. PHI shall use its commercially reasonable efforts to promptly respond to the extent aircraft is available and not then in use or subject to maintenance or repair activities, to all appropriate flight requests. PHI shall provide a total of not less than four (4) pilots and one (1) mechanic (collectively, the "Flight Team"). Each Flight Team member shall be trained to PHI standards. Each Flight Team member shall meet all educational and experience standards recommended by CAMTS. All personnel of PHI providing services pursuant to this agreement are subject to the general approval of Glendale. 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 and PHI General Operations Manual the pilot in command of the aircraft will at all times maintain "Operational Control" of the Aircraft.
- 1.5 **Medical Director and Medical Direction.** PHI will provide physician Medical Director services for the Program (the "Medical Director") through Banner Good Samaritan Medical Center subject to the approval of Glendale, which approval shall not unreasonably be withheld. The Medical Director shall be an employee or a contractor of PHI under the control of PHI and shall not be deemed an employee, contractor or agent of Glendale. The Medical Director must meet all licensure, education, and certification requirements as set forth by any state or federal oversight body, and CAMTS.
- 1.6 **General Financial Responsibility.** Each Party shall assume full responsibility and oversight for its independently incurred costs and fees associated with the program. Costs and fees incurred as a result of the program not clearly within the responsibility of either party will be negotiated on a case by case basis.
- 1.7 **Billing and Collection Obligations.** PHI shall seek payment for all services relating to the Program by directly billing and collecting from the patients and other persons for whose benefit such services are provided. Compensation received by PHI relative to this agreement shall remain the property of PHI. All patient charges by PHI for services to the public under the terms of this Agreement shall be in accordance with applicable governmental regulations. PHI shall notify City of any changes in the charges for services provided under this Agreement within (5) days after approval. City is not responsible for non-payment of bills by individuals or other responsible parties whom patient care and transportation services have been rendered by PHI. PHI represents that its charges, to patients and other persons served, for services rendered, shall be fair and competitive.

- 1.8 HIPAA. To the extent PHI shall be deemed a "Business Associate" as such term is defined in the Health Insurance Portability and Accountability Act of 1996, Public Law 104-191 and regulations promulgated there under by the U.S. Department of Health and Human Services ("HIPAA") in connection with PHI's provision of services under this Agreement, PHI shall comply with the terms and conditions of the Business Associate Agreement attached as Schedule A

2. Services Provided by Glendale.

- 2.1 **Clinical Services on Flights.** Glendale will provide at least six (6) paramedics trained to a standard agreed upon by the parties to PHI on a contract basis for the Program at the contract rate of \$58,500.00 (Fifty-eight thousand five hundred) dollars per month. This rate will increase by 5% on each yearly anniversary of the Effective Date of this Agreement. Payments made to Glendale shall be due and payable on the first day of each month, to the order of the City of Glendale, at 5850 W. Glendale Avenue, Glendale Arizona 85301, Att: Finance Department. Payments received after the 15th day of any month shall be assessed a late charge of 15%. Such personnel provided by Glendale shall be employees of Glendale or of Glendale's mutual aid partners and under the control of Glendale. Two (2) of the six (6) paramedics shall be on-duty at all times. .
- 2.2 **Dispatch Services.** Glendale will provide all dispatch and communication services for the program through the Phoenix Regional Dispatch and Deployment Center. Such personnel provided by Glendale shall be either employees or partners of Glendale and under the control of Glendale. These services will be conducted in accordance with the standards established by CAMTS.
- 2.3 **Program Management.** Glendale will designate one or more individuals to act as the supervisor from the Emergency Medical Services Division of the GFD, as provided for herein. Glendale's on duty Battalion Supervisor will work with PHI in an advisory capacity to oversee the daily operations of the Program. Such personnel provided by Glendale shall be either employees or contractors of Glendale and under the control of Glendale.
- 2.4 **Medical Crew Review.** If, in the reasonable opinion of PHI, any personnel provided by Glendale pursuant to this Agreement do not demonstrate a high degree of aptitude for the type of operations or customer service required, including good interpersonal relations, PHI may make written request to Glendale to conduct a prompt review of the performance of the individual and to take appropriate prompt action. All such employment actions will be handled by Glendale on a case-by-case basis in accordance with Glendale policy and

procedure. All Glendale employees shall conform to the rules and requirements jointly approved by Glendale and PHI concerning dress and conduct and other applicable PHI and Glendale policies while providing services pursuant to this Agreement, and in connection with referring/receiving agency personnel interface.

- 2.5 First Call Provider. GFD agrees that PHI will be the first call provider for all air medical transports requests received by, through or from GFD. If at the time of transport request, an aircraft or Flight Team to staff the aircraft is not immediately available, PHI will provide GFD with its best estimate of alternative aircraft response time. If GFD determines that the response time is inappropriate, based upon the condition and needs of the patient, GFD may utilize any other appropriate resource or transport service to meet patient transfer needs. GFD will encourage regional support and utilization of PHI as the regional air medical transport program.
3. **Utilization of Corporate Identity or Likeness.** PHI and Glendale will use their commercially reasonable efforts to participate in mutually beneficial public relations and marketing activities. Neither PHI nor Glendale will utilize the others' markings or identities without express written permission from the other Party. PHI will allow Glendale to place Glendale's identity on aircraft dedicated to this Agreement, provided that PHI will only use Glendale's trade names, trademarks, and logos in accordance with this agreement. All marketing materials of PHI that names or makes reference to Glendale or the Glendale trade names, trademarks and logos must be approved in writing by Glendale prior to distribution.
4. **Relationship of the Parties.** The relationship of the Parties as set forth in this Agreement is that of provider and customer. PHI shall be an independent contractor of Glendale 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 11.3, this Agreement shall be in effect for a period of Five (5) years, commencing on the Effective Date, and terminating on the fifth (5th) anniversary of the Effective Date (the "Term"). This Agreement may be extended for two (2) successive three (3) year periods upon written intent by Glendale to PHI to do so. This Agreement may be terminated by either Party at will and without cause upon 60 days written notice. The terms of this contract will apply until the date of termination (not the date of notice). In the event of termination of this agreement, PHI agrees to continue to pay Glendale the contract rate of \$58,500.00 per month for a period of twelve months after termination and Glendale agrees to enter into a labor contract with PHI to facilitate the employment of six paramedics by PHI in the Phoenix metropolitan area.
6. **Representations, Warranties and Covenants of PHI.** PHI hereby represents, warrants and covenants as follows:

- 6.1 **Organization.** PHI is a corporation duly organized, validly existing, and in good standing under the laws of the State of Louisiana, and has the power and authority to execute, deliver and perform its obligations under this Agreement. PHI is qualified and authorized to do business in the State of Arizona.
- 6.2 **Authorization.** The execution, delivery and performance of PHI of this Agreement have been authorized by all necessary corporate action on the part of PHI.
- 6.3 **FAA Regulations.** PHI shall comply with all regulations of the Federal Aviation Administration ("FAA") pertaining to air medical transport services being furnished by PHI under this Agreement and, in that connection, PHI 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. PHI will save, hold harmless, and indemnify Glendale and any affiliated Glendale air medical program participants) from any liability, direct or indirect, including legal defense costs, arising from any act(s) and/or omission(s) of PHI and/or PHI's aviation related contractor(s) in connection with the rights and duties arising from this provision. PHI shall select, manage, and pay the legal defense costs as a part of the indemnity obligation including any settlement and /or judgment amounts awarded.
- 6.4 **Compliance.** In addition to the FAA regulations referenced in Section 7.3, PHI shall comply with all federal, state and local laws and regulations applicable to PHI's operation of the Program and the Flight Services provided by PHI under this Agreement. PHI will save, hold harmless, and indemnify Glendale and any affiliated Glendale air medical program participants from any liability, direct or indirect, including legal defense costs, arising from any act(s) and/or omission(s) of PHI and/or PHI's contractor(s) in connection with the rights and duties arising from this provision. PHI shall select, manage, and pay the legal defense costs as a part of the indemnity obligation including any settlement and/or judgment amounts awarded.

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

- 7.1 **Organization.** Glendale is a duly organized municipal fire department 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 Glendale of this Agreement have been authorized by all necessary government action on the part of Glendale.

- 7.3 **Governmental Approvals.** Glendale 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. PHI Insurance Requirements.

- 8.1 **Policies and Amounts.** PHI 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 be endorsed to waive right of subrogation against Glendale and name Glendale as additional insured to the extent of indemnities assumed by PHI.
- (b) Aircraft liability insurance covering injuries to passengers or third parties and damage to property in an amount not less than \$50,000,000 for any one accident or series of accidents arising out of any one event. Such aircraft insurance excludes medical malpractice coverage and aggravation of injuries to passengers.
- (c) Workers' compensation insurance for its employees at Arizona statutory limits.
- (d) With the exception of Workers' compensation insurance and the incidental medical malpractice protection afforded PHI as an extension of its aircraft liability policy, to the extent of PHI's Indemnification Obligation, Glendale shall be named as additional insured on each and every one of PHI's policies described above to the full limits available, waive subrogation and provide Glendale 60 days' written notice of cancellation.

- 8.2 Glendale shall, during the Term or any extended term, maintain the following minimum insurance coverage and, to the extent of Glendale's Indemnification Obligation, all such policies of insurance shall name PHI as additional insured (except with respect to workers' compensation coverage), waive subrogation (except with respect to workers' compensation coverage), and provide PHI 30 days written notice of cancellation.

- (a) Paramedic errors and omissions liability insurance in amounts of not less than \$4,000,000 single and \$6,000,000 aggregate limits.
- (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 **PHI's Indemnification Obligations.** PHI agrees to defend, protect, indemnify and hold harmless Glendale, its mutual aid partners, subsidiaries, affiliates and subcontractors and their respective directors, officers, agents, employees, representatives and agents, 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 and only to the extent such Losses are caused by the negligence or fault of any member of PHI, 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 any of Glendale; provided, however, that, in the event of joint or concurrent negligence or fault of Glendale and PHI, PHI's indemnification obligation shall be limited to PHI's allocable share of such joint or concurrent negligence or fault.

- 9.2 **Glendale's Indemnification Obligations.** Glendale agrees to defend, protect, indemnify and hold harmless PHI, its subsidiaries, affiliates and subcontractors and their respective directors, officers, agents, employees, representatives and agents (collectively "PHI") for Losses, to the extent and only to the extent such losses are directly related to the performance of paramedic services and caused by the negligence or fault of any member of Glendale or its mutual aid partners, 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 any of PHI; provided, however, that, in the event of joint or concurrent negligence or fault of Glendale and PHI, Glendale's indemnification obligation shall be limited to Glendale's allocable share of such joint or concurrent negligence or fault.
- 9.3 **Limitations.** Neither PHI nor Glendale 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 nor limited by any insurance coverage or insurance proceeds an Indemnified Party may have for its own account with respect to a claim.
- 9.4 **Procedures.** PHI or Glendale 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 settlement and/or 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 PHI and Glendale.

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, PHI shall use its commercially reasonable efforts to provide a backup helicopter and associated flight services as required by this Agreement and the RFP 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 here from, shall be deemed null and void, but shall in no way affect the remaining provisions outlined herein.
- 10.5 **Proprietary Information.** PHI shall cause its employees, agents and affiliates to hold as confidential all patient information and all information relating to Glendale's business, and the terms and conditions of this Agreement. Glendale shall cause its employees, agents and affiliates to hold confidential all information relating to PHI's business and the terms and conditions of this Agreement, except as otherwise reasonably necessary for Glendale'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.
- 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 Glendale City Clerk:
5850 West Glendale Avenue.
Glendale, Arizona 85301

With a copy to:

Glendale City Attorney
5850 West Glendale Avenue.
Glendale, Arizona 85301

If to PHI: Petroleum Helicopters, Inc.
 Attn: Mike McCann, Chief Financial Officer
 2001 S.E. Evangeline Thruway
 Lafayette, LA 70508
 Telephone: (337) 272-4427
 Facsimile: (337) 235-1357

Copy to: PHI Air Medical
 Attn: Howard Ragsdale
 2800 N. 44th Street, Suite 800
 Phoenix, AZ 85008
 Telephone: (602) 273-9349
 Fax: (602) 224-1601

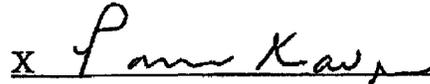
10.11 Recitals. The recitals contained in the first portion of this Agreement are made an integral part of this Agreement.

IN WITNESS HEREOF, the Parties, through their respective undersigned authorized officers, have duly executed this Agreement as of the day and year first written above.

PHI Inc.:

The City of Glendale:

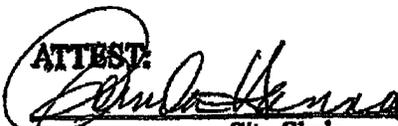
X 
TITLE Director

X 
TITLE Assistant City Manager.

Approved as to form:


Glendale City Attorney

SCHEDULE A Business Associate Agreement

ATTEST:

City Clerk