

STATE OF MONTANA TERM CONTRACT

Department of Administration
 State Procurement Bureau
 165 Mitchell Building
 PO Box 200135
 Helena, MT 59620-0135
 Phone: (406) 444-2575 Fax: (406) 444-2529
 TTY Users-Dial 711
<http://sfsd.mt.gov/>

T.C. #: SPB15-3167A-D
Title: Aircraft Maintenance
This is a non-exclusive contract.

CONTRACT TERM	FROM	April 1, 2017	CONTRACT STATUS	NEW <input type="checkbox"/>
	TO	March 31, 2018		RENEW <input checked="" type="checkbox"/> 2 nd renewal, 3 rd year
VENDOR ADDRESS	Lynch Flying Service, Inc. d/b/a Edwards Jet Center 1691 Aviation Place Billings, MT 59105		ORDER ADDRESS	
ATTN:	Robert Bergeson		ATTN:	
PHONE:	406-252-0508		PHONE:	
FAX:	406-245-9491		FAX:	
E-MAIL:	rbergeson@edwardsjetcenter.com		E-MAIL:	

PRICES:	Per Contract
DELIVERY:	Per Contract
F.O.B.:	Per Contract
TERMS:	Per Contract

REMARKS:

IFB No.: IFB15-3167A	Rhonda R. Grandy, CONTRACTS OFFICER	DATE: 1/24/2017
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AUTHORIZED SIGNATURE

**CONTRACT AMENDMENT NO. 2
CONTRACT FOR AIRCRAFT MAINTENANCE
CONTRACT # SPB15-3167A-D**

This CONTRACT AMENDMENT # is to amend the above-referenced contract between the State of Montana, **Department of Administration** (State), whose address and phone number are PO Box 200135, Helena MT 59620-0135, 406-444-2575, and **Lynch Flying Service, Inc., DBA Edwards Jet Center** (Contractor), whose address and phone number are 1691 Aviation Place, Billings, MT 59105 and 406-252-0508. This Contract is amended for the following purpose(s):

- 1) In accordance with the section entitled Effective Date, Duration, and Renewal, both parties mutually agree to extend this Contract for the period April 1, 2017, through March 31, 2018, per the terms, conditions, and prices agreed upon. This is the second renewal, third year of the Contract.

Except as modified above, all other terms and conditions of Contract SPB15-3167A-D remain unchanged.

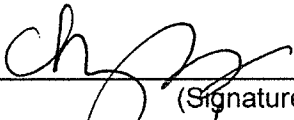
STATE OF MONTANA

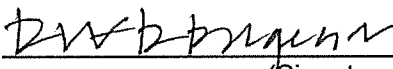
ROOM 165 MITCHELL BUILDING
PO BOX 200135
HELENA, MT 59620-0135

LYNCH FLYING SERVICE INC.
DBA EDWARDS JET CENTER
1691 AVIATION PLACE
BILLINGS MT 59105
FEDERAL ID # 81-0335935

BY: Cheryl Grey, SFSD Administrator
(Name/Title)

BY: ROBERT PERLHEDSON/GM
(Name/Title)

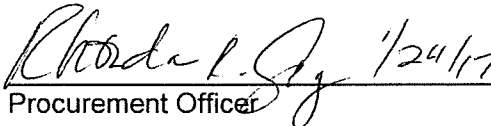

(Signature)


(Signature)

DATE: 1/24/17

DATE: 10 JAN 17

Approved as to Form:

 1/24/17
Procurement Officer (Date)

**Aircraft Maintenance
SPB15-3167A-D**

THIS CONTRACT is entered into by and between the State of Montana, *Department of Administration* (State), whose address and phone number are PO Box 200135, Helena MT 59620-0135, 406-444-2575, and *Lynch Flying Service, Inc., DBA Edwards Jet Center* (Contractor), whose address and phone number are 1691 Aviation Place, Billings, MT 59105 and 406-252-0508.

1. EFFECTIVE DATE, DURATION, AND RENEWAL

1.1 Contract Term. The contract's initial term is **April 1, 2015**, or upon contract execution, through **March 31, 2016**, unless terminated earlier as provided in this contract. In no event is this contract binding on the State unless the State's authorized representative has signed it. The legal counsel signature approving legal content of the contract and the procurement officer signature approving the form of the contract do not constitute an authorized signature.

1.2 Contract Renewal. The State may renew this contract under its then-existing terms and conditions (subject to potential cost adjustments described below in section 2) in two-year intervals, or any interval that is advantageous to the State. This contract, including any renewals, may not exceed a total of seven years.

2. COST ADJUSTMENTS

2.1 Cost Increase by Mutual Agreement. After the contract's initial term and if the State agrees to a renewal, the parties may agree upon a cost increase. The State is not obligated to agree upon a renewal or a cost increase. Any cost increases must be based on demonstrated industry-wide or regional increases in Contractor's costs. Publications such as the Federal Bureau of Labor Statistics and the Consumer Price Index (CPI) for all Urban Consumers may be used to determine the increased value.

3. SERVICES AND/OR SUPPLIES

Contractor shall provide statewide aircraft maintenance parts and services to State agencies upon request. **No guarantee is given as to the number and types of inspections that will be required during the term of the contract.**

Contractor shall provide to the State the following aircraft maintenance as requested:

- Scheduled inspections and related repairs
- Replacement of time-life parts, including engine overhauls
- Emergency repairs
- Engine parts and service
- Airframe parts and service
- Avionics parts and service
- Instrument repair and calibration parts and service
- Altimeter system certification services
- 100 hour inspections
- Engine repair
- Avionics installation
- Annual aircraft inspections
- Sheet metal repair
- Paint and painting nondestructive airframe testing
- Other requested maintenance and repairs

State owned aircraft which may be serviced:

- McDonnell Douglas Hughes 500 E Helicopter
- Bell OH58A+ (Bell 206) Helicopter
- PN68 Partenavia Twin engine Airplane
- Single engine aircraft including Piper PA-18 Super Cub
- Governor's Office King Air C-90
- All other State-owned aircraft as requested by the agency.

3.1 Contractor Requirements

Contractor shall comply with all Montana statutes and regulations, which pertain to aircraft facilities and services.

3.1.1 Regulations

The State operates under Government Public Use and voluntarily maintains the aircraft to a Federal Aviation Administration (FAA) Commercial standard as per the Interagency Committee for Aviation Policy (ICAP) OH-58 Inspection Planning Guide and the manufacturer's recommended maintenance programs. All appropriate manuals, directives and bulletins for the respective aircraft must be utilized.

All products and services are governed by the FAA and its Federal Aviation Regulations (FARs).

Information on referenced FARs may be found at:

http://www.airweb.faa.gov/Regulatory_and_Guidance_Library/rgWebcomponents.nsf/HomeFrame?OpenFrameSet

The Contractor shall provide technically competent aircraft (fixed wing and helicopter) maintenance personnel to perform the inspections, maintenance and repairs of all work ordered under the contract.

The repair and maintenance facility shall have at least one certified mechanic to perform the inspections, repair, and maintenance for the respective helicopters and fixed wing aircraft in order to accomplish the work of the contract to ensure the aircraft will be repaired without undue down time even during after-hours emergencies or unanticipated heavy workloads. The certified mechanic must have an FAA Airframe and Powerplant certification. The maintenance facility must have personnel readily available or on staff with an Airframe and Powerplant certificate with FAA Inspection Authorization in order to sign off annual inspections. The repair and maintenance facility will use the state pilots for all test maintenance flights; run-ups will be performed by either state pilots or a qualified mechanic designated by the State.

All supervisors, inspectors and mechanics supervising, inspecting or performing maintenance, repair and calibration/testing service services on any aircraft, engine or components covered by this contract shall be FAA licensed and maintain proficiency in accordance with the FARs and be manufacturer (factory) trained, as appropriate, for type engine/aircraft, avionics, instruments and components being serviced.

All supervisors, inspectors and mechanics are required to be thoroughly familiar with appropriate FAA advisory circulars, FAA regulations, airworthiness directives, manufacturer's service letters and bulletins and engineering orders appropriate to the facility being operated and the type of engines, airframe, avionics and instruments being serviced.

Contractor will also perform corresponding or incidental repairs related to or detected during maintenance procedures. In the event corresponding or incidental repairs are necessary, prior to starting such repairs, the Contractor shall make recommendations identifying the most cost effective and advantageous means to accomplish such repair work. Contractor will not begin any corresponding or incidental repairs without the approval of the State's Pilot or their representative.

3.1.2 Contractor Tools and Facilities

Contractor shall own or have available the necessary tools or be able to obtain the necessary tools so the work is completed within the required timeframe and all other testing equipment necessary to ensure the level of service provided meets all Federal Aviation Administration and Federal Aviation Regulations requirements.

- Contractor WILL NOT subcontract any portion of the maintenance or repair work without the written consent of the state's pilot. If Contractor does subcontract work without the State's approval, Contractor shall pay subcontractor's invoices. Contractor may not pass these subcontractor costs on to the State for payment.
- The State reserves the right to inspect the Contractor's facility, for adequate maintenance capability before the contract is awarded and during the term of the contract. The State reserves the right to periodically, and at any time during normal work hours, inspect the Contractor's work location. Should the result of any inspection made by the State indicate that any material/parts supplied do not meet FAA regulations or contract specifications; the Contractor shall promptly rectify the situation at no additional cost to the State.
- The aircraft shall be accessible to State personnel while it is hangared at the Contractor's maintenance facility.
- Contractor is liable for any damages, losses or injuries to people and property which occur as a result, directly or indirectly, from work performed by the Contractor's employees and subcontractors while under contract with the State. The Contractor shall provide a secure maintenance facility with 24 hour security provided. The services Contractor shall assure that no unauthorized personnel have any access to any equipment while said equipment is under the care, custody or control of the Contractor. At the close of a normal workday, all State aircraft shall be secured within a locked facility, no exceptions. The Contractor shall immediately notify the contract officer of any damages, losses or injuries occurring during the performance of any contract with the State of Montana.
- Contractor shall specify if it can provide maintenance at the State facility where the aircraft is based.
- Although not required to perform after hours emergency repairs. The mechanic shall be able to be contacted by the pilot and, or the state's pilot's office through a telephone forwarding system or by cellular phone at any time.
- The aircraft logbooks are the State's property and will be provided to the Contractor at the time of work/maintenance. Contractor shall complete log book entry at the time of work/maintenance and will return the log books to the State at the time the work/maintenance is completed.
- Contractor shall give a written timeline of when scheduled maintenance or repair will be done at the time the aircraft is brought into the shop. For any outstanding repairs that are complete after the timeline, the Contractor shall give a credit to State to cover actual costs to acquire a replacement aircraft. This may include daily rental fees for a replacement aircraft. In the case of an unforeseen circumstance like back-ordered parts or other necessary repairs that will not be completed on the aircraft, the Contractor shall obtain written approval from the chief pilot waiving the fee with the Contractor. If this should happen, a new timeline will be established and be agreed upon by both parties.

3.1.3 Workmanship Certification / Warranty

All workmanship shall conform to manufacturers' instructions and service manuals and/or FAA Circulars 43.13-1B and 43.13-2B, acceptable methods, techniques and practices. The Contractor shall provide a standard warranty on workmanship and repair.

3.1.4 Maintenance Of Records – Components

The Contractor shall maintain records and certificates of manufacture for all major components. A copy of the work order explaining in detail the work performed shall be provided with all overhauled/repaired components regardless of whether the component was actually overhauled/repaired by the Contractor at its facility or elsewhere.

3.1.5 PARTS AND LABOR RATES

Contractor's invoices must contain a breakdown of costs for all parts, labor and materials used for each inspection, maintenance or repair. Incomplete invoices will not be processed for payment, until a complete invoice is received by the State.

4. WARRANTIES

4.1 Warranty of Services. Contractor warrants that the services provided conform to the contract requirements, including all descriptions, specifications and attachments made a part of this contract. The State's acceptance of services provided by Contractor shall not relieve Contractor from its obligations under this warranty. In addition to its other remedies under this contract, at law, or in equity, the State may, at Contractor's expense, require prompt correction of any services failing to meet Contractor's warranty herein. Services corrected by Contractor shall be subject to all the provisions of this contract in the manner and to the same extent as services originally furnished.

5. CONSIDERATION/PAYMENT

5.1 Pricing. In consideration of the *Aircraft Maintenance Services* to be provided, the State shall pay Contractor as follows:

Fixed Wing:

Standard and scheduled inspections, maintenance and repairs: \$ 75.00 per hour
After Hours Emergency shop rate: \$ 75.00 per hour

Governor's King Air C-90:

Standard and scheduled inspections, maintenance and repairs: \$ 82.00 per hour
After Hours Emergency shop rate: \$ 82.00 per hour

Discount from Retail Pricing for Parts 5%

Location (physical address) of Repair Facility: 1691 Aviation Place, Billings, MT 59105

Pilot/Mechanic Name: Adam Bell
Certifications: A&P 3463641

Pilot/Mechanic Name: Ashley Bell
Certifications: A&P 3561351

Pilot/Mechanic Name: Craig Boyd
Certifications: A&P 2668672

Pilot/Mechanic Name:	Dan Soria
Certifications:	A&P 2675061
Pilot/Mechanic Name:	Gene Allard
Certifications:	A&P 1917305
Pilot/Mechanic Name:	Jamie Grav
Certifications:	A&P 3473393
Pilot/Mechanic Name:	Jeff Doyle
Certifications:	A&P 3670728
Pilot/Mechanic Name:	Jim Murray
Certifications:	A&P 429175974
Pilot/Mechanic Name:	Joe Gibson
Certifications:	A&P 2672829
Pilot/Mechanic Name:	Kevin Prophet
Certifications:	A&P 3204360
Pilot/Mechanic Name:	Larry Noel
Certifications:	A&P 3454430
Pilot/Mechanic Name:	Merl Barnum
Certifications:	A&P 2823514
Pilot/Mechanic Name:	Mike Mahon
Certifications:	A&P 2671065
Pilot/Mechanic Name:	Mitch Latham
Certifications:	A&P 3228738
Pilot/Mechanic Name:	Paul Hulteng
Certifications:	A&P 3371718
Pilot/Mechanic Name:	Steve Smart
Certifications:	A&P 3637972

*Usage of this contract will be based on the Agency seeking parts and/or service from the lowest cost bidder capable of completing all aspects of the required service, combined with the ability of a Contractor to meet the turnaround required on the specific repair.

5.2 Withholding of Payment. In addition to its other remedies under this contract, at law, or in equity, the State may withhold payments to Contractor if Contractor has breached this contract. Such withholding may not be greater than, in the aggregate, **20%** of the total value of the subject statement of work or applicable contract.

5.3 Payment Terms. Unless otherwise noted in the solicitation document, the State has 30 days to pay invoices, as allowed by 17-8-242, MCA. Contractor shall provide banking information at the time of contract execution in order to facilitate the State's electronic funds transfer payments.

5.4 Reference to Contract. The contract number SHALL appear on all invoices, packing lists, packages, and correspondence pertaining to the contract. If the number is not provided, the State is not obligated to pay the invoice.

6. NON-EXCLUSIVE CONTRACT

The intent of this contract is to provide state agencies with an expedited means of procuring supplies and/or services. This contract is for the convenience of state agencies and is considered by the State to be a "Non-exclusive" use contract. Therefore, agencies may obtain this product/service from sources other than the contract holder(s) as long as they comply with Title 18, MCA, and their delegation agreement. The State Procurement Bureau does not guarantee any usage.

7. ACCESS AND RETENTION OF RECORDS

7.1 Access to Records. Contractor shall provide the State, Legislative Auditor, or their authorized agents access to any records necessary to determine contract compliance. The State may terminate this contract under section 15, without incurring liability, for the Contractor's refusal to allow access as required by this section. (18-1-118, MCA.)

7.2 Retention Period. Contractor shall create and retain all records supporting the Aircraft Maintenance for a period of eight years after either the completion date of this contract or termination of the contract.

8. ASSIGNMENT, TRANSFER, AND SUBCONTRACTING

Contractor may not assign, transfer, or subcontract any portion of this contract without the State's prior written consent. (18-4-141, MCA.) Contractor is responsible to the State for the acts and omissions of all subcontractors or agents and of persons directly or indirectly employed by such subcontractors, and for the acts and omissions of persons employed directly by Contractor. No contractual relationships exist between any subcontractor and the State under this contract.

9. HOLD HARMLESS/INDEMNIFICATION

Contractor agrees to protect, defend, and save the State, its elected and appointed officials, agents, and employees, while acting within the scope of their duties as such, harmless from and against all claims, demands, causes of action of any kind or character, including the cost of defense thereof, arising in favor of Contractor's employees or third parties on account of bodily or personal injuries, death, or damage to property arising out of services performed or omissions of services or in any way resulting from the acts or omissions of Contractor and/or its agents, employees, representatives, assigns, subcontractors, except the sole negligence of the State, under this contract.

10. REQUIRED INSURANCE

10.1 General Requirements. The Contractor shall maintain for the duration of the contract, at its cost and expense, insurance against claims for injuries to persons or damages to property, including contractual liability, which may arise from or in connection with the performance of the work by the Contractor, agents, employees, representatives, assigns, or subcontractors. This insurance shall cover such claims as may be caused by any negligent act or omission.

10.2 Primary Insurance. The Contractor's insurance coverage shall be primary insurance with respect to the State, its officers, officials, employees, and volunteers and shall apply separately to each project or location. Any insurance or self-insurance maintained by the State, its officers, officials, employees or volunteers shall be excess of the Contractor's insurance and shall not contribute with it.

10.3 Specific Requirements for Commercial General Liability. The Contractor shall purchase and maintain occurrence coverage with combined single limits for bodily injury, personal injury, and property damage of **\$1,000,000** per occurrence and **\$2,000,000** aggregate per year to cover such claims as may be caused by any act, omission, or negligence of the Contractor or its officers, agents, representatives, assigns, or subcontractors.

The State, its officers, officials, employees, and volunteers are to be covered and listed as additional insureds; for liability arising out of activities performed by or on behalf of the Contractor, including the insured's general supervision of the Contractor; products, and completed operations; premises owned, leased, occupied, or used.

10.4 Specific Requirements for Automobile Liability. The Contractor shall purchase and maintain coverage with split limits of \$500,000 per person (personal injury), \$1,000,000 per accident occurrence (personal injury), and \$100,000 per accident occurrence (property damage), OR combined single limits of \$1,000,000 per occurrence to cover such claims as may be caused by any act, omission, or negligence of the Contractor or its officers, agents, representatives, assigns, or subcontractors.

The State, its officers, officials, employees, and volunteers are to be covered and listed as additional insureds for automobiles leased, hired, or borrowed by the Contractor.

10.5 Deductibles and Self-Insured Retentions. Any deductible or self-insured retention must be declared to and approved by the State agency. At the request of the agency either: (1) the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects the State, its officers, officials, employees, or volunteers; or (2) at the expense of the Contractor, the Contractor shall procure a bond guaranteeing payment of losses and related investigations, claims administration, and defense expenses.

10.6 Airport Liability Insurance. The Contractor shall maintain for the duration of the contract, at its cost and expense, insurance against claims for injuries to persons or damages to property, including contractual liability, which may arise from or in connection with the performance of the work by the Contractor, agents, employees, representatives, assigns, or subcontractors. This insurance must cover such claims as may be caused by any negligent act or omission.

10.7 Certificate of Airport Liability. The Contractor shall purchase and maintain occurrence coverage with combined single limits for bodily injury, personal injury, and property damage of \$1,000,000 per occurrence and \$2,000,000 aggregate per year to cover such claims as may be caused by any act, omission, or negligence of the Contractor or its officers, agents, representatives, assigns, or subcontractors.

The State, its officers, officials, employees, and volunteers are to be covered and listed as additional insureds; for liability arising out of activities performed by or on behalf of the Contractor, including the insured's general supervision of the Contractor; products, and completed operations; premises owned, leased, occupied, or used.

10.8 Certificate of Insurance/Endorsements. A certificate of insurance from an insurer with a Best's rating of no less than A- indicating compliance with the required coverages, has been received by the State Procurement Bureau, P.O. Box 200135, Helena, MT 59620-0135. The Contractor must notify the State immediately, of any material change in insurance coverage, such as changes in limits, coverages, change in status of policy, etc. The State reserves the right to require complete copies of insurance policies at all times.

11. COMPLIANCE WITH WORKERS' COMPENSATION AND HEALTH INSURANCE ACTS

Contractor shall comply with the provisions of the Montana Workers' Compensation Act while performing work for the State of Montana in accordance with 39-71-401, 39-71-405, and 39-71-417, MCA. Proof of compliance must be in the form of workers' compensation insurance, an independent contractor's exemption, or documentation of corporate officer status. Neither Contractor nor its employees are State employees.

Contractor shall provide all employee health insurance required by the federal Patient Protection and Affordable Care Act and applicable state laws and shall indemnify the State and hold harmless the State from providing this health insurance coverage. This insurance/exemption must be valid for the entire contract term and any renewal. Upon expiration, a renewal document must be sent to the State Procurement Bureau, P.O. Box 200135, Helena, MT 59620-0135.

12. COMPLIANCE WITH LAWS

Contractor shall, in performance of work under this contract, fully comply with all applicable federal, state, or local laws, rules, and regulations, including but not limited to, the Montana Human Rights Act, the Civil Rights Act of 1964, the Age Discrimination Act of 1975, the Americans with Disabilities Act of 1990, and Section 504 of the Rehabilitation Act of 1973. Any subletting or subcontracting by Contractor subjects subcontractors to the same provision. In accordance with 49-3-207, MCA, Contractor agrees that the hiring of persons to perform this contract will be made on the basis of merit and qualifications and there will be no discrimination based upon race, color, religion, creed, political ideas, sex, age, marital status, physical or mental disability, or national origin by the persons performing this contract.

13. DISABILITY ACCOMMODATIONS

The State does not discriminate on the basis of disability in admission to, access to, or operations of its programs, services, or activities. Individuals who need aids, alternative document formats, or services for effective communications or other disability related accommodations in the programs and services offered are invited to make their needs and preferences known to this office. Interested parties should provide as much advance notice as possible.

14. REGISTRATION WITH THE SECRETARY OF STATE

Any business intending to transact business in Montana must register with the Secretary of State. Businesses that are incorporated in another state or country, but which are conducting activity in Montana, must determine whether they are transacting business in Montana in accordance with 35-1-1026 and 35-8-1001, MCA. Such businesses may want to obtain the guidance of their attorney or accountant to determine whether their activity is considered transacting business.

If businesses determine that they are transacting business in Montana, they must register with the Secretary of State and obtain a certificate of authority to demonstrate that they are in good standing in Montana. To obtain registration materials, call the Office of the Secretary of State at (406) 444-3665, or visit their website at <http://sos.mt.gov>.

15. CONTRACT TERMINATION

15.1 Termination for Cause. The State may, by written notice to Contractor, immediately terminate this contract in whole or in part for Contractor's failure to materially perform any of the services, duties, terms or conditions contained in this contract.

15.2 Termination for Cause with Notice to Cure Requirement. Contractor may terminate this contract for the State's failure to perform any of its duties under this contract after giving the State written notice of the failure. The written notice must demand performance of the stated failure within a specified period of time of not less than 30 days. If the demanded performance is not completed within the specified period, the termination is effective at the end of the specified period.

15.3 Reduction of Funding. The State must by law terminate this contract if funds are not appropriated or otherwise made available to support the State's continuation of performance of this contract in a subsequent fiscal period. (18-4-313(4), MCA.) If state or federal government funds are not appropriated or otherwise made available through the state budgeting process to support continued performance of this

contract (whether at an initial contract payment level or any contract increases to that initial level) in subsequent fiscal periods, the State shall terminate this contract as required by law. The State shall provide Contractor the date the State's termination shall take effect. The State shall not be liable to Contractor for any payment that would have been payable had the contract not been terminated under this provision. As stated above, the State shall be liable to Contractor only for the payment, or prorated portion of that payment, owed to Contractor up to the date the State's termination takes effect. This is Contractor's sole remedy. The State shall not be liable to Contractor for any other payments or damages arising from termination under this section, including but not limited to general, special, or consequential damages such as lost profits or revenues.

16. EVENT OF BREACH – REMEDIES

16.1 Event of Breach by Contractor. Any one or more of the following Contractor acts or omissions constitute an event of material breach under this contract:

- products or services furnished fail to conform to any requirement;
- failure to submit any report required by this contract;
- failure to perform any of the other terms and conditions of this contract, including but not limited to beginning work under this contract without prior State approval and breaching Section 21.1 obligations; or
- voluntary or involuntary bankruptcy or receivership.

16.2 Event of Breach by State. The State's failure to perform any material terms or conditions of this contract constitutes an event of breach.

16.3 Actions in Event of Breach.

Upon Contractor's material breach, State may:

- terminate this contract under Section 15 and pursue any of its remedies under this contract, at law, or in equity; or
- treat this contract as materially breached and pursue any of its remedies under this contract, at law, or in equity.

Upon State's material breach, Contractor may:

- terminate this contract under Section 15 and pursue any of its remedies under this contract, at law, or in equity; or
- treat this contract as materially breached and, except as the remedy is limited in this contract, pursue any of its remedies under this contract, at law, or in equity.

17. FORCE MAJEURE

Neither party is responsible for failure to fulfill its obligations due to causes beyond its reasonable control, including without limitation, acts or omissions of government or military authority, acts of God, materials shortages, transportation delays, fires, floods, labor disturbances, riots, wars, terrorist acts, or any other causes, directly or indirectly beyond the reasonable control of the nonperforming party, so long as such party uses its best efforts to remedy such failure or delays. A party affected by a force majeure condition shall provide written notice to the other party within a reasonable time of the onset of the condition. In no event, however, shall the notice be provided later than five working days after the onset. If the notice is not provided within the five day period, then a party may not claim a force majeure event. A force majeure condition suspends a party's obligations under this contract, unless the parties mutually agree that the obligation is excused because of the condition.

18. WAIVER OF BREACH

Either party's failure to enforce any contract provisions after any event of breach is not a waiver of its right to enforce the provisions and exercise appropriate remedies if the breach occurs again. Neither party may assert the defense of waiver in these situations.

19. CONFORMANCE WITH CONTRACT

No alteration of the terms, conditions, delivery, price, quality, quantities, or specifications of the contract shall be granted without the State Procurement Bureau's prior written consent. Product or services provided that do not conform to the contract terms, conditions, and specifications may be rejected and returned at Contractor's expense.

20.1 LIAISON AND SERVICE OF NOTICES

All project management and coordination on behalf of the State shall be through a liaison designated on this contract. Contractor shall designate a liaison that will provide the single point of contact for management and coordination of Contractor's work. All work performed pursuant to this contract shall be coordinated between the State's liaison and the Contractor's liaison.

Jeannie Lake will be the liaison for the State.

PO Box 200135

Helena, MT 59620-0135

Telephone: 406-444-0110

Fax: 406-444-2529

E-mail: JeannieLake@mt.gov

Joe Brand is will be the liaison for the Office of the Governor.

Office of the Governor

(Address): 1301 East 6th Avenue

(City, State, ZIP): Helena MT 59620

Telephone: 406-444-0766

Cell Phone: 406-459-3341

E-mail: jbrand@mt.gov

Joe Rahn will be the liaison for the State of Montana/Fish, Wildlife, and Parks.

Chief Pilot- Aircraft Unit

PO Box 200701

Helena, MT 59620

Office-(406) 444-7700

Cell-(406) 370-2739

Email: jrahn@mt.gov

Debbie Alke will be the liaison for the State of Montana/Transportation.

Aeronautics Division Administrator

Montana Department of Transportation

Phone: (406)444-9569

Email: dalke@mt.gov

Robert Bergeson is the liaison for the Contractor.

(Address): 1691 Aviation Place

(City, State, ZIP): Billings, MT 59105

Telephone: 406-252-0508

Fax: 406-245-9491

20.2 Notifications. The State's liaisons and Contractor's liaison may be changed by written notice to the other party. Written notices, requests, or complaints must first be directed to the liaison. Notice may be provided by personal service, mail, or facsimile. If notice is provided by personal service or facsimile, the notice is effective upon receipt; if notice is provided by mail, the notice is effective within three business days of mailing. A signed and dated acknowledgement of the notice is required of both parties.

20.3 Identification/Substitution of Personnel. The personnel identified or described in Contractor's proposal shall perform the services provided for the State under this contract. Contractor agrees that any personnel substituted during the term of this contract must be able to conduct the required work to industry standards and be equally or better qualified than the personnel originally assigned. The State reserves the right to approve Contractor personnel assigned to work under this contract and any changes or substitutions to such personnel. The State's approval of a substitution will not be unreasonably withheld. This approval or disapproval shall not relieve Contractor to perform and be responsible for its obligations under this contract. The State reserves the right to require Contractor personnel replacement. If Contractor personnel become unavailable, Contractor shall provide an equally qualified replacement in time to avoid delays to the work plan.

21. MEETINGS

21.1 Technical or Contractual Problems. Contractor shall meet with the State's personnel, or designated representatives, to resolve technical or contractual problems occurring during the contract term or to discuss the progress made by Contractor and the State in the performance of their respective obligations, at no additional cost to the State. The State may request the meetings as problems arise and will be coordinated by the State. The State shall provide Contractor a minimum of three full working days notice of meeting date, time, and location. Face-to-face meetings are desired; however, at Contractor's option and expense, a conference call meeting may be substituted. Contractor's consistent failure to participate in problem resolution meetings, Contractor missing or rescheduling two consecutive meetings, or Contractor's failure to make a good faith effort to resolve problems may result in termination of the contract.

21.2 Progress Meetings. During the term of this contract, the State's Project Manager shall plan and schedule progress meetings with Contractor to discuss Contractor's and the State's progress in the performance of their respective obligations. These progress meetings will include the State Project Manager, the Contractor Project Manager, and any other additional personnel involved in the performance of this contract as required. At each meeting, Contractor shall provide the State with a written status report that identifies any problem or circumstance encountered by Contractor, or of which Contractor gained knowledge during the period since the last such status report, which may prevent Contractor from completing any of its obligations or may generate charges in excess of those previously agreed to by the parties. This may include the failure or inadequacy of the State to perform its obligation under this contract. Contractor shall identify the amount of excess charges, if any, and the cause of any identified problem or circumstance and the steps taken to remedy the same.

21.3 Failure to Notify. If Contractor fails to specify in writing any problem or circumstance that materially affects the costs of its delivery of services or products, including a material breach by the State, about which Contractor knew or reasonably should have known with respect to the period during the term covered by Contractor's status report, Contractor shall not be entitled to rely upon such problem or circumstance as a purported justification for an increase in the price for the agreed upon scope.

21.4 State's Failure or Delay. For a problem or circumstance identified in Contractor's status report in which Contractor claims was the result of the State's failure or delay in discharging any State obligation, the State shall review same and determine if such problem or circumstance was in fact the result of such failure or delay. If the State agrees as to the cause of such problem or circumstance, then the parties shall extend any deadlines or due dates affected thereby, and provide for any additional charges by Contractor. This is

Contractor's sole remedy. If the State does not agree as to the cause of such problem or circumstance, the parties shall each attempt to resolve the problem or circumstance in a manner satisfactory to both parties.

22. TRANSITION ASSISTANCE

If this contract is not renewed at the end of this term, if the contract is otherwise terminated before project completion, or if particular work on a project is terminated for any reason, Contractor shall provide transition assistance for a reasonable, mutually agreed period of time after the expiration or termination of this contract or particular work under this contract. The purpose of this assistance is to allow for the expired or terminated portion of the services to continue without interruption or adverse effect, and to facilitate the orderly transfer of such services to the State or its designees. The parties agree that such transition assistance is governed by the terms and conditions of this contract, except for those terms or conditions that do not reasonably apply to such transition assistance. The State shall pay Contractor for any resources utilized in performing such transition assistance at the most contract current rates. If the State terminates a project or this contract for cause, then the State may offset the cost of paying Contractor for the additional resources Contractor utilized in providing transition assistance with any damages the State may have sustained as a result of Contractor's breach.

23. CHOICE OF LAW AND VENUE

Montana law governs this contract. The parties agree that any litigation concerning this bid, proposal, or this contract must be brought in the First Judicial District in and for the County of Lewis and Clark, State of Montana, and each party shall pay its own costs and attorney fees. (18-1-401, MCA.)

24. TAX EXEMPTION

The State of Montana is exempt from Federal Excise Taxes (#81-0302402).

25. AUTHORITY

This contract is issued under authority of Title 18, Montana Code Annotated, and the Administrative Rules of Montana, Title 2, chapter 5.

26. SEVERABILITY

A declaration by any court or any other binding legal source that any provision of the contract is illegal and void shall not affect the legality and enforceability of any other provision of the contract, unless the provisions are mutually and materially dependent.

27. SCOPE, ENTIRE AGREEMENT, AND AMENDMENT

27.1 Contract. This contract consists of 13 numbered pages, any Attachments as required, Solicitation # IFB15-3167A as amended, and Contractor's response, as amended. In the case of dispute or ambiguity arising between or among the documents, the order of precedence of document interpretation is the same.

27.2 Entire Agreement. These documents are the entire agreement of the parties. They supersede all prior agreements, representations, and understandings. Any amendment or modification must be in a written agreement signed by the parties.

28. WAIVER

The State's waiver of any Contractor obligation or responsibility in a specific situation is not a waiver in a future similar situation or is not a waiver of any other Contractor obligation or responsibility.

29. EXECUTION

The parties through their authorized agents have executed this contract on the dates set out below.

STATE OF MONTANA

ROOM 165 MITCHELL BUILDING
PO BOX 200135
HELENA, MT 59620-0135

LYNCH FLYING SERVICE INC.
DBA EDWARDS JET CENTER
1691 AVIATION PLACE
BILLINGS MT 59105
FEDERAL ID # 81-0335935

BY: STEVE BALAMONTE GSA
(Name/Title)

BY: Robert R. Bergehon / GM
(Name/Title)

SR: O
(Signature)

[Signature]
(Signature)

DATE: 1 MAY 2015

DATE: APRIL 23, 2015

Approved as to Legal Content:

Mike Manion 4/14/15
Legal Counsel (Date)

Approved as to Form:

[Signature] 4/14/15
Procurement Officer (Date)