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13. 03. 2013
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**CONTRACT FOR THE ENGINE LIGHT OVERHAUL AFTER ELECTRICAL WIRE
STRIKE/AFTER SUDDEN STOPPAGE / PROP STRIKE FOR PARTY 5**

concluded between

1. **MINISTRY OF INTERNAL AFFAIRS, from Podgorica, Montenegro**, represented by the Minister Raško Konjević, (in hereinafter referred to as: **ORDERING PARTY**), on one hand

and

2. **"AIR TRACTOR "Europe of Valencia-Spain**, represented by the Director **Hugo Arceo Campoy** (hereinafter referred to as : **CONTRACTOR**), on the other hand.

Since the Ordering Party has accepted the Bidder's offer in the tender procedure, and the CONTRACTOR got acquainted with rules and obligations which it, as the Contractor has regarding the engine light overhaul after electrical wire strike/ after Sudden Stoppage /Prop Strike, according to the submitted specification, the Contracting Parties hereby conclude the Agreement on provision of engine light overhaul after electrical wire strike/after Sudden Stoppage/Prop Strike (*hereinafter referred to as: Agreement).

SUBJECT OF THE AGREEMENT

Article 1.

Subject of this Agreement is servicing and overhaul and repair engine **PT6A-67AG,S/N RD0189** in the facility of the Contractor, according to the accepted Contractor's Bid No. **261/12** dated **30 Novembar 2012**.

PRICE AND PAYMENT CONDITIONS

Article 2.

The Agreed price of the services of overhaul and repair engine **PTA-67AG,S/N RD0189** amounts to **54.696,17 €** . (in writing: fifty-four thousand six hundred ninety-six with seventeen cents EUR).

The price is determined at the fix amount and it shall not be changed until the final realization of the Agreement .In case additional reparations are required, due to technical condition of the aircraft or its components , the Contractor is obliged to carry them out on the basis of the offer for subsequent services or reparation, accepted by the Ordering Party.

Article 3.

The Ordering Party undertakes to pay the agreed amount referred to in Article 2 hereunder to the Contractor via bank transfer (SWIFT) in favor of the following Contractor's account **Bank La Caixa ES70-2100-8622-64-7200303142 / SWIFT: CAIXESBBXXX**, in the following way:

- Advance payment in the amount of 30% of the agreed price, which amounts to **16,408.85 €** upon reception of the order receipt and commercial account of the Contractor together with the presentation of the advance payment guarantee.
- The remaining amount of **38.287,32 €** the Ordering Party shall pay to the Contractor, in accordance with the applicable EVALUATION REPORT and annual statement of accounts prior to overtaking the engine and its delivery-departure to Montenegro.

Commercial accounts shall be addressed to the Ministry of Montenegro and shall be submitted to the following address:

Ministarstvo unutrašnjih poslova
Bulevar Svetog Petra Cetinskog br.6
Podgorica, Crna Gora

CONDITIONS AND DELIVERY PERIOD

Article 4.

Upon the receipt of the aircraft and the components by the Contractor, there shall be performed the entry control and preparation of the Evaluation Report, as the basis for further jobs of servicing and reparation.

EVALUATION REPORT shall be at disposal of the Ministry of Internal Affairs of Montenegro and provided during overtaking of the aircraft by the Ordering Party.

The Contractor shall provide access and inspection of the whole work provided for by the subject Agreement, through allowed presence of 1-2 representatives of the Technical Sector of the Air-helicopter unit of the Ministry of Internal Affairs of Montenegro during the execution of works.

All services-works performed at the aircraft have to be carried out in accordance with EASA regulations, within the EASA Part 145 of the approved organization authorized for execution of services-works provided for by the Agreement.

The Contractor of services-works at the engine undertakes to complete services-works provided for by the Agreement within the determined period of max 6 weeks upon the reception of the aircraft; otherwise, it is obliged to compensate every day of delay.

TECHNICAL REQUIREMENTS

Article 5.

The Contractor shall notify the Ordering Party in writing on additional works due to unexpected technical reasons, if they occur.

The Parties shall agree on the scope of the subject additional works as well as any other related technical and commercial issues in the form of related Annex to this Agreement.

The Contractor shall carry on with the works if the Evaluation Report regarding the subject additional works as well as the related Annex to this Agreement are not accepted by the Ordering Party and the Contractor.

DOCUMENTATION

Article 6.

In case there is a historical records for components and components that are not new, the Ordering Party is obliged to provide the Contractor with the new documentation.

The Contractor shall review the historical records referring to the applicable Service Bulletins, AD remarks or other obligatory documentation related to servicing and reparations that are to be performed.

The Contractor shall, if necessary, update the historical history after the performed servicing / repairation.

GUARANTEE

Article 7.

The Contractor Guarantees for all components, kit and details that it repaired and modified, to be in a faultless condition when manufactured, when they were properly assembled and used under the normal conditions.

Guarantee for work shall be valid for 12 (twelve) months from the date of delivery or 6 (six) months from the date of the first commissioning or 200 (two hundred) hours of work, whatever occurs first.

Obligations of the Contractor under this Guarantee shall be limited to reparations of such components, kit or details given to the Contractor to be repaired and which, by the Contractor's estimation, contain fault or faults covered with the guarantee or are deficient.

Guarantee for new spare parts assembled by the Contractor is limited to the guarantee given by their manufacturer / supplier.

Cost of removing components, kit or details , replacement and repeated assembly into the aircraft, inspection as well as costs of packaging, processing and transport to and from the Contractor shall be borne by the Ordering Party. The Contractor retains exclusive right to decide whether the affected items shall be repaired or replaced.

Guarantee shall be applied only if the components, kit or details are assembled, handled or maintained properly and only if they were used during the normal operation, and if adequate fuel and lubricants were used. Accordingly, no remuneration shall be provided for the damage caused due to improper setting performed by anyone other than the Contractor, or due to overloading or corrosion.

Receivables shall be made in writing no later than 30 (thirty) days after finding the inaderquacy. On the occasion of claming receivables, there shall be submitted the following documents:

- Complete Report on damage
- Contractor's invoice counterpart
- Work log, journal or some similar document kept until the event that occurred

Guarantee is valid only for the original Ordering Party and it may not be transferred to another person, except in case where the Contractor gave its written consent.

FORCE MAJEURE

Article 8.

In case of Force Majeure, the following procedure shall be applied:

- Directly notify the other party on occurrence of the subject cause or condition and specify the time period during which the subject cause or condition shall probably continue,
- Make one's best effort to solve quickly and remove every single thing that prevents execution, and
- Continue with execution on of the Agreement immediately after the cause and the condition have been removed.

GENERAL TERMS AND CONDITIONS

Article 9.

If one of the Contracting Parties fails to perform it contractual obligations under this Agreement, the other contracting party may terminate this Agreement, with the prior written termination notice, and consequences of the possible termination of the Agreement shall be borne by the contracting party which failed to perform its contrtual obligations.

Article 10.

The Ordering Party and the Supplier agree that the integral part of the Agreement is composed of:

13. Tender documentation with Agreement conditions
14. Supplier's Bid
15. Guarantee for good performance of Agreement in the amount of 5% of the agreed value
16. Ordering Party's document on proper payment of obligations due.

Article 11.

The Agreement enters into force on the date of signing by both parties.

No party has the right of partial or complete transfer of its rights or obligations under the Agreement to a third party without the written consent of the other party.

Provisions of the Contractual Obligations Law shall apply to all that is not regulated by this Agreement.

The Contracting Parties agree that this Agreement shall be governed and be interpreted in accordance with the laws of Montenegro.

All disputes arising from or related to this Agreement shall primarily be solved amicably. If the subject dispute fails to be settled amicably, the Commercial Court in Podgorica shall be deemed competent.

All amendments to this Agreement shall become valid only if they are made in writing and signed by both contracting parties.

Article 12

This agreement is legally validly concluded and signed by the below authorized legal representatives of the contracting parties and is made in 6 (six) identical copies, of which each party retains 3 (three) copies.

THE EXECUTIVE

Director
Mr. Hugo Alceo Campoy
DIRECTOR EUROPE, S.L.
C.I.F. B-97.093.462
C/ Puzol, 10
46500 SAGUNTO (España)

FOR SUBSCRIBER

Minister
Raško Konjević
Chief of offices
Zoran Asanović
The Procurement Officer
Nataša Ivanović