FIRST AMENDMENT TO CONTRACT KNC NO. 80300038/ CITY NO. _____
BETWEEN AND AMONG THE CITY OF LOS ANGELES AND
KONGSBERG NORCONTROL IT AS,
MARINE EXCHANGE OF SOUTHERN CALIFORNIA
AND JACOBSEN PILOT SERVICE, INC.

THIS FIRST AMENDMENT ("AMENDMENT") to CONTRACT KNC No. 8030038/ CITY No._____ is made and entered into with reference date of _____, 20__ (Reference Date) between and among the CITY OF LOS ANGELES, a municipal corporation ("CITY"), KONGSBERG NORCONTROL IT AS, a Norwegian company ("SUPPLIER"), MARINE EXCHANGE OF SOUTHERN CALIFORNIA, a California corporation ("MARINE EXCHANGE") and JACOBSEN PILOT SERVICE, INC., a California corporation ("JPS") (all of the foregoing parties referred to collectively as the "Parties").

RECITALS

A. On May 19, 2015, SUPPLIER and MARINE EXCHANGE entered into Service Level Agreement KNC No. 80300038 ("CONTRACT), for a five-year term from June 1, 2015 to May 31, 2020, plus one option to extend the term for an additional year. Defined terms in this AMENDMENT shall have the meanings in the original CONTRACT. A copy of the CONTRACT, which includes ANNEX A (Standard Terms and Conditions for Service Level Agreement) and ANNEX B (Description of System) and ANNEX C (System Upgrade) is attached as ANNEX 1.

B. The CONTRACT provides for SUPPLIER to perform maintenance services on VTS systems operated by MARINE EXCHANGE, JPS and CITY (collectively "CUSTOMERS").

C. The CONTRACT was only signed by MARINE EXCHANGE as sole Customer and was not signed by CITY or JPS, despite an intention that all three parties, MARINE EXCHANGE, JPS and CITY be treated as CUSTOMERS and their portions of the VTS systems receive SUPPLIER's maintenance services, as listed in ANNEX B of the CONTRACT. The CONTRACT had one Contract Change KNC Project No. 807000052 dated May 18, 2017, attached as ANNEX 2.

D. The CUSTOMERS have informally agreed to share the costs of services under the CONTRACT, which are billed to and paid by MARINE EXCHANGE, who collects agreed-upon shares of such costs from CITY and JPS for remittance to SUPPLIER.

E. The PARTIES desire by this AMENDMENT to formalize the relationship of all three of the CUSTOMERS under the CONTRACT, and to document the cost-sharing arrangement among the CUSTOMERS for payment to SUPPLIER under the CONTRACT.

F. CITY also desires by approval of this AMENDMENT and the CONTRACT by the Los Angeles Board of Harbor Commissioners and the Los Angeles CITY Council, to comply with CITY requirements to authorize the Agreement's services to and payments by CITY for the VTS system maintenance.

NOW, THEREFORE, IT IS MUTUALLY AGREED AS FOLLOWS:

AGREEMENT

The Parties agree that the Agreement is amended as follows:

1. "CUSTOMER" and Notices. The "CUSTOMER" under the CONTRACT to whom SUPPLIER renders services to their respective systems described on CONTRACT ANNEX B, is all three of the CUSTOMERS signing this Amendment. References to "LA PILOT" OR "LAP" refer to CITY, and references to "MX" refer to MARINE EXHANGE."

2. Addresses for SITE LOCATIONS. CONTRACT section 3 lists the SITE LOCATIONS by CUSTOMER name and without addresses. CONTRACT Section 3 is hereby amended to designate the

following SITE LOCATION ADRESSES (each a SITE or collectively SITES):

MARINE EXCHANGE SITE LOCATION
3601 S. Gaffey Street, Building 803
San Pedro, CA 90731

CITY SITE LOCATION
Los Angeles Pilot Service
Port of Los Angeles Berth 68,
San Pedro, CA 90733-0151

JPS SITE LOCATION
1259 Pier F Avenue
Long Beach, CA 90832

3. CUSTOMERS Addresses for Notices and Invoices. The address for SUPPLIER is set forth in the CONTRACT. The addresses for CUSTOMERS are as follows:

For Marine Exchange (for all purposes)
Marine Exchange
P.O. Box 1949
San Pedro, CA 90733

For CITY:
Send notices to:
Chief Port Pilot
Los Angeles Harbor Department
P.O. Box 151
San Pedro, California 90733-0151, USA

Send invoices to:
Accounts Payable Section
Los Angeles Harbor Department
P.O. Box 191
San Pedro, CA 90733-0191, USA

For JPS (for all purposes):
Thomas Jacobsen, President
Jacobsen Pilot Service, Inc.
P.O. Box 32248
Long Beach, CA 90832, USA

3. CONTRACT ANNEX C. The Parties confirm that ANNEX C to the CONTRACT had been inadvertently omitted from the CONTRACT and agree ratify that the ANNEX C attached hereto as part of ANNEX 1 constitutes the true and correct ANNEX C as if it had been attached to the original CONTRACT from its effective date.

4. On-Call Site Visits. SUPPLIER's rates for On-call Site visits are set forth on ANNEX 3 hereto, which per the CONTRACT Section 4.3.1 are excluded and charged separately from the CONTRACT PRICE paid by annual invoices. SUPPLIER shall follow SUPPLIER's "Service Rates Policy" regarding reimbursable travel costs which are also excluded and charged separately for on-call visits. SUPPLIER represents that its Service Rates Policy specifies reasonable specifications such as standard medium size rental-cars, economy tickets for air travel flights, regular hotels, etc. so travel costs are kept at a reasonable level.

5. Cost Share re Annual Invoice Payments. Each year per Section 5.4 of the CONTRACT, SUPPLIER shall continue to invoice MARINE EXCHANGE, who will forward the invoice to CITY and JPS at the addresses for invoices above in Section 3, with an updated version of that payment year's itemized statement of the cost share payments due from CITY and JPS in the format they have agreed upon on the attached "Cost Sharing Itemization" on ANNEX 4. MARINE EXCHANGE shall timely settle and remit the payments on behalf of itself, CITY and JPS as CUSTOMERS to SUPPLIER.

6. CONTRACT. THE PARTIES agree that the following comprise the sole CONTRACT between the Parties concerning SUPPLIER's maintenance services and costs under the CONTRACT:

- the CONTRACT on ANNEX 1
- the Contract Change on ANNEX 2
- SUPPLIER's rates for On-Call Site Visits on ANNEX 3 and
- CUSTOMERS' cost share agreement on ANNEX 4.
- this Amendment

Except as amended herein, all terms and conditions of the CONTRACT shall remain in full force and effect. Future CONTRACT changes to the VTS system (e.g. additional or new maintenance, upgrades or replacements) shall be approved by all affected CUSTOMERS in advance in a signed amendment or change order. For CITY, minor change orders with cost up to $150,000 in the aggregate over the term shall be approved by the Executive Director and major changes with cost greater than $150,000 in the aggregate over the term shall be approved by the Board and City Council.

7. Effective Date. The effective date of this AMENDMENT shall be the last date that all PARTIES have signed it. The reference date in the first paragraph is for reference purposes only.

IN WITNESS THEREOF, the parties hereto have executed this First Amendment to Agreement No. ____ on the date to the left of their signatures.

KONGSBERG NORCONTROL IT AS
A Norwegian company

Dated: 05 JAN 2018

By: _____
RUNE JOHANSEN, ACCOUNT MANAGER
(Print/type name and title)

THE CITY OF LOS ANGELES, by its
Board of Harbor Commissioners

Dated: _____

By _____
EUGENE D. SEROKA
Executive Director

Attest _____
AMBER M. KLESGES
Board Secretary

APPROVED AS TO FORM AND LEGALITY

January 24, 2018
MICHAEL N. FEUER, CITY Attorney
Janna B. Sidley, General Counsel

By _____
Joy M. Crose, Assistant General Counsel

MARINE EXCHANGE OF SOUTHERN CALIFORNIA, a California corporation

Dated: 11 Jan 2018

By: _____
J. KIPLING LOUTTIT
Executive Director

JACOBSEN PILOT SERVICE, INC.,
a California corporation

Dated: 1-11-18

By: _____
THOMAS JACOBSEN
President

FOR CITY USE

Account #	54030	W.O. #	
Ctr/Div #	0414	Job Fac. #	
Proj/Prog #	000		

Budget FY:	Amount:
2015-16	
2016-17	
2017-18	35,000
2018-19	35,000
2019-20	37,500
TOTAL	

Verified by: _____

Verified Funds Available: _____

Date Approved: 1/23/18

ANNEX 1

CONTRACT
ANNEX A
ANNEX B
ANNEX C

KONGSBERG

CONTRACT

Service Level Agreement (SLA)

for Marine Exchange / LA Pilots and Jacobsen pilots (5 years + Option to extend 1 year)

KONGSBERG PROPRIETARY – See statement of Proprietary Information

Revisions

Rev.	Date	Inc. by	Rev.	Date	Inc. by
A	30-04-2015	wiebesc			
B	13-05-2015	wiebesc			

STATEMENT OF PROPRIETARY INFORMATION

This document and its accompanying elements, include information (and data) that shall not be disclosed outside the reviewing organisation and shall not be duplicated, used or disclosed outside the reviewer's organisation or the Government – in whole or in part – for any purpose other than to evaluate this information. If, however, a contract is awarded as a result of – or in connection with – submission of this information, the buyer's organisation and the Government shall have the right to duplicate, use, or disclose the information to the extent provided in the resulting contract. The information subject to this restriction is marked: "KONGSBERG PROPRIETARY" or similar legend.

The information marked "KONGSBERG PROPRIETARY" or similar contain trade secrets and commercial or financial information that are either specifically exempted from disclosure by statue or privileged or confidential within the meaning of exemptions set forth in the Freedom of Information Act or similar regulation, and the disclosure of such KONGSBERG PROPRIETARY information could evoke criminal sanctions.

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N-3194 Horten,
Norway

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Telefax: +47 33 04 57 35
www.kongsberg.com
knc.office@kongsberg.com

KONGSBERG

This form for Service Level Agreement (SLA) is hereby entered into between:

Marine Exchange Southern California a company organised and existing under the laws of *USA* with its registered office at 3601 S Gaffey Street, Building 803, P.O.Box 1949, San Pedro, CA 90733 (hereinafter referred to as "CUSTOMER")

and

Kongsberg Norcontrol IT AS, a company organised and existing under the laws of Norway with its registered office at Bromsveien 17, N-3183 Horten, NORWAY (hereinafter referred to as "SUPPLIER").

The CONTRACT will commence on 01 June 2015 (the "Commencement Date").

In this Form of Agreement words and expressions shall have the same meanings as are respectively assigned to them in the Standard Terms and Conditions for Service Level Agreement (Annex A) unless otherwise explicitly set forth herein.

Executed as follows:

For and on behalf of
Marine Exchange Southern California
Date: 13 May 2015
Name:
Title: J.K LOUTTIT
Executive Director

For and on behalf of
KONGSBERG Norcontrol IT AS
Date: 19th MAY, 2015
Name: SVEIN H. OLAVESEN
Title: VP GLOBAL SALES

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KONGSBERG PROPRIETARY – See statement of Proprietary Information

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KONGSBERG PROPRIETARY – See statement of Proprietary Information

1 BACKGROUND

CUSTOMER operates one or more VTS systems as further described in ANNEX B hereto. This/these system(s) are hereinafter referred to as the SYSTEM.

SUPPLIER is a company with experience in supplying and installing VTS systems similar to the SYSTEM and in performing maintenance services on such systems. SUPPLIER has available expertise and capacity to perform such services.

This CONTRACT outlines the terms and conditions under which the SUPPLIER will provide Software and Hardware Services on the SYSTEM as further specified herein.

KONGSBERG PROPRIETARY – See statement of Proprietary Information

2 BASIC AGREEMENT

In consideration of the payments of the CONTRACT Price by the CUSTOMER to the SUPPLIER as hereinafter set forth, the SUPPLIER undertakes to deliver and perform the SERVICES as set out in Chapter 4 below and in conformity with the provisions of the Standard Terms and Conditions and the CONTRACT.

KONGSBERG PROPRIETARY – See statement of Proprietary Information

3 CONTRACT DOCUMENTS & DATA

The contractual relationship between the parties comprises the following documents which shall apply in the following order (the "CONTRACT"):

This Form of Agreement

ANNEX A: Standard Conditions for Service Level Agreement

ANNEX B: Description of the SYSTEM

The Contract is referenced as follows:

CONTRACT Number:

CONTRACT Duration	From 01-06-2015 to 01-06-2020 with the option to extend 1 year
SYSTEM type:	C-Scope
SITE location:	Marine exchange Southern California La Pilots Jacobsen pilots

3.1 Support Contact Information

In order for KNC to provide the best possible service, we recommend that the correct contact procedures to be used. The quickest access to technical specialists on the equipment in question is provided below:

3.1.1 Support Services Contact Information

24/7 Telephone Support: ***+47 3308 4885***

KONGSBERG PROPRIETARY – See statement of Proprietary Information

3.1.2 General Company Contact Information

Normal office hours	Telephone	Telefax	e-mail
0900 –1600 CET (Monday to Friday)	+47 33084800	+47 3304 5735	support@kongsberg.com

For general issues the country of Administration, as defined in section 11, defines the Working Days.

Additionally customers can access the Customer services contact details through links on the common KNC website – http://www.kongsberg.com/en/kds/kncit/

4 THE SCOPE OF SERVICES

4.1 Introduction

The obligations of SUPPLIER under the CONTRACT will be to perform the specific SERVICES that the CUSTOMER has agreed to obtain and that are marked as "included" on the charts in Sub-Clauses 4.2 and 4.7. For the avoidance of doubt, a service not marked as "included" or "excluded" shall be considered "excluded" and a service marked as both "included" and "excluded" shall be considered "excluded". The specific content of the SERVICES are further specified in the Standard Terms and Conditions (ANNEX A) Clause 5 for each service category.

4.2 Software Services Selection

SUPPLIER offers the following Services with regard to the Software forming part of the SYSTEM, and the CUSTOMER has ordered the services so marked in the chart below:

T & C ref.	Description of the SOFTWARE SERVICE	Included	Excluded
5.2.1	Help Desk and Support Services	X	☐
5.2.2	Remote Software Assistance	X	☐
5.2.3	On-call Site Visits	☐	X
5.2.4	Scheduled On-Site visits	X	☐
5.2.5	SYSTEM Updates	X	☐
5.2.6	SYSTEM Upgrade	X	☐

KONGSBERG PROPRIETARY – See statement of Proprietary Information

4.2.1 On-Call SITE Visits for Software SERVICES

If On-Call SITE visits by a SUPPLIER representative are covered by this CONTRACT, the following shall apply:

Travel cost	Included ☐	Excluded X
Other comments or deviations from standard text in T&C para. 5.2.3:		

4.2.2 Scheduled On-SITE Visits for Software SERVICES

If Scheduled On-SITE visits by a SUPPLIER representative are covered by this CONTRACT, the following shall apply:

Maximum no. of visits per calendar year included	1	
Max. no. of working days on- site (á 8 hrs) per visit	10	
Travel cost	Included X	Excluded ☐

4.3 Hardware Services Selection

As a supplemental service and always in combination with one or more Software Services, SUPPLIER offers the following Services with regard to the Hardware of the SYSTEM and the CUSTOMER has ordered the services so marked in the chart below:

T & C ref.	Description of the HARDWARE SERVICE	Included	Excluded
5.3.1	Help Desk and Support Services	X	☐
5.3.2	On-call Site Visits	☐	X
5.3.3	Scheduled On-Site visits	X	☐
5.3.4	Replacement of Consumable Parts	☐	X
5.3.5	Replacement of Non-Consumable Parts	☐	X

KONGSBERG PROPRIETARY – See statement of Proprietary Information

4.3.1 On-Call SITE Visits for Hardware SERVICES

If Un-Scheduled On-Call SITE visits by a SUPPLIER representative are covered by this CONTRACT, the following shall apply:

Maximum no. of visits per calendar year included	0	
Max. no. of working days on- site (á 8 hrs) per visit	0	
Travel cost	Included ☐	Excluded X
Other comments or deviations from standard text in T&C para. 5.3.2.:		

4.3.2 Scheduled On-SITE Visits for Hardware SERVICES

If Scheduled On-SITE visits by a SUPPLIER representative are covered by this CONTRACT, the following shall apply:

Maximum no. of visits per calendar year included	1	
Max. no. of working days on- site (á 8 hrs) per visit	10	
Travel cost	Included X	Excluded ☐
Other comments or deviations from standard text in T&C para. 5.3.3.:		
There will be one overall scheduled Site visit for hardware and software with a maximum of 10 days		

KONGSBERG PROPRIETARY – See statement of Proprietary Information

4.4 Software Service Description

4.4.1 Help Desk Service and Support

CUSTOMER will have the possibility to contact the SUPPLIER via internet and e-mail. Requests for assistance may be placed directly on the web site or via e-mail. Each request for assistance, hereinafter called a Service Request, will be given a unique reference number.

The CUSTOMER will also be assigned a SUPPLIER's Contact Person. This Contact Person will be the CUSTOMER's general point-of-contact.

SUPPLIER will respond to any Service Request at the latest during the next Working Day ("Working Day" being defined as Monday through Friday, excluding Norwegian public holidays, from 8 AM to 4 PM GMT+1 hour (GMT+2 hours during Norwegian daylight saving period)). The Service Request will then be processed according to the appropriate Service Level attached to the Service Request as further set out below.

In addition to the Help Desk service, SUPPLIER will provide telephone support to CUSTOMERs 24-hours-a-day, seven-days-a-week by a trained SUPPLIER Customer Support Representative.

In case the CUSTOMER has installed and made available to the SUPPLIER a remote access facility, the SUPPLIER's Customer Support Representative may log in to the SYSTEM for remote diagnostic and faultfinding, and if possible do corrective maintenance on the system, ref. para. 5.2.2.

To ensure that CUSTOMER receives the appropriate expertise attention on any Service Request, SUPPLIER operates a problem escalation procedure in order that any unresolved Service Requests are notified to SUPPLIER's operational and management personnel on a priority basis dependent upon the severity of the problem. The PRIORITY level shall be determined solely by SUPPLIER based upon its own knowledge of the SYSTEM and the information supplied by CUSTOMER.

There are three levels of Problem Priorities:

Problem Priority	Status	Impact
Priority 1	SYSTEM critical	SYSTEM cannot be used
Priority 2	Urgent	Certain functionalities out of use
Priority 3	Low Priority	Day-to-day operations not significantly affected

KONGSBERG PROPRIETARY – See statement of Proprietary Information

A Priority 1 Service Request will be attended to by the appropriate SUPPLIER expert immediately the following Working Day in order to remedy the reported issue. If it is not feasible to remedy the Priority 1 Service Request immediately, SUPPLIER shall diligently proceed with defining an Action Plan on how to remedy the issue without any delay. If CUSTOMER and SUPPLIER deem it necessary in order to effectively remedy the Service Request, SUPPLIER shall have expert personnel depart for the SITE within two Working Days if On-Call SITE visits form part of the SERVICES ordered by CUSTOMER.

A Priority 2 and 3 Service Request will be reported to the appropriate SUPPLIER expert the following Working Day.

On a Priority 2 Service Request, the appropriate SUPPLIER expert will attend to the issue as soon as practical and within one Working Day, and thereafter diligently attend to the matter until resolved. If CUSTOMER and SUPPLIER deem it necessary in order to effectively remedy the Service Request, an expert will depart as soon as possible but not later than within 4 Working Days if On-Call SITE visits form part of the SERVICES ordered by CUSTOMER.

On a Priority 3 Service Request, the appropriate SUPPLIER expert will attend to the issue as soon as he/she is available and within 5 Working Days, and thereafter discuss and agree with CUSTOMER a reasonable timetable to address and solve the issue.

4.4.2 Remote Software Assistance

SUPPLIER will be able to provide the SERVICES in a more efficient way if given remote access to the SYSTEM. CUSTOMER will then ensure that SUPPLIER's employees are given necessary access to the SYSTEM in order that the SERVICES may be delivered and maintained in accordance herewith. CUSTOMER will be responsible for providing and maintaining the remote access and all necessary telecommunications equipment, software and other materials at CUSTOMER's location necessary for accessing the SYSTEM.

4.4.3 On-Call-SITE visits

SUPPLIER may provide On-Call SITE assistance to the extent required to resolve unresolved Service Requests with regard to the Software of the SYSTEM that may not otherwise be resolved in a reasonably efficient way via the Help Desk or other remote assistance. The SUPPLIER will depart within the time limit applicable to the Priority level allocated to the Service Issues as further described in Clause 5.2.1. SUPPLIER's to provide On-Call-SITE visits depending on a purchase order from the CUSTOMER.

KONGSBERG PROPRIETARY – See statement of Proprietary Information

4.4.4 Scheduled On-SITE Visit

On Scheduled On-SITE visits, SUPPLIER will perform general preventive maintenance, install Updates, if applicable, and otherwise attend to any pending Priority 3 Service Issues.

4.4.5 SYSTEM Updates

SUPPLIER will supply CUSTOMER with the generally available standard SYSTEM-software update releases. Such SYSTEM-software update releases will be supplied annually depending on available release and shall include modifications designed to improve SYSTEM performance, such as services updates improving SYSTEM stability and additional and significant improvements of functionalities. The SYSTEM update releases shall not, however, include any future product releases, options or products for which it will licence or charge separately. Such SYSTEM-software updates shall not include updates to software developed by third parties unless such update is made generally available and is supplied to SUPPLIER free of charge and is explicitly stated as included.

SUPPLIER will NOT be responsible for upgrading any of the SYSTEM Hardware that becomes necessary due to any SYSTEM Update. SUPPLIER will inform CUSTOMER in advance of any SYSTEM Update if a Hardware upgrade is recommendable as a consequence of the SYSTEM Update.

4.4.6 SYSTEM Upgrade

SUPPLIER undertakes to supply to CUSTOMER and to install in the SYSTEM a specific SYSTEM Upgrade as further specified in ANNEX C hereto. The supply and installation of the SYSTEM Upgrade will be subject to the separate terms and conditions referred to in ANNEX C.

KONGSBERG PROPRIETARY – See statement of Proprietary Information

4.5 Hardware Service Description

4.5.1 Help Desk and Support

The provisions of Clause 5.2.1 will apply with respect to access to SUPPLIER's web-enabled Help Desk Support, 24-7 emergency telephone support, and according to the determination of the priority level and the response times set forth therein.

4.5.2 On-Call SITE visits

SUPPLIER can provide On-Call SITE assistance to the extent required to resolve unresolved Service Requests with regard to the Hardware of the SYSTEM that may not otherwise be resolved in a reasonably efficient way via the Help Desk, other remote assistance or by providing local suppliers to assist. The SUPPLIER, or an expert from the relevant 3-rd party hardware supplier, will depart within the time limit applicable to the Priority level allocated to the Service Issues as further described in Clause 5.2.1. SUPPLIER's to provide On-Call-SITE visits depending on a purchase order from the CUSTOMER.

4.5.3 Scheduled On-SITE Visit

On Scheduled On-SITE visits (if such visits are included in the SERVICES) SUPPLIER will perform general preventive maintenance on the Hardware and otherwise attend to any pending Priority 3 Service Issues. Such scheduled visits may, in SUPPLIER's discretion, be combined with Scheduled On-SITE Visits pursuant to clause 4.4.

4.5.4 Replacement of Hardware Parts

SUPPLIER can during the duration of this CONTRACT replace hardware parts (Consumable and Non-Consumable) as part of the scheduled visit. The contract does not cover the costs of the parts itself.

Replacement of Consumable Parts is to be conducted by the SUPPLIER in connection with a Scheduled On-site Visit or an On-call Site Visit unless otherwise agreed between the two parties.

KONGSBERG PROPRIETARY – See statement of Proprietary Information

5 CONTRACT PRICE AND PAYMENT

5.1 Contract Price

The CUSTOMER shall pay to SUPPLIER for the SERVICES identified in this CONTRACT a yearly compensation (the "CONTRACT PRICE") of:

USD	91,000 (Ninety One Thousand)	Including business tax

The SERVICES and the corresponding CONTRACT PRICE applies to the SYSTEM installed at the SITE as it exists on the Date of Commencement of this CONTRACT, and as further specified in ANNEX B hereto.

5.2 Additional Costs

Travel and accommodation expenses are included in the CONTRACT PRICE for Scheduled On-SITE visits pursuant to Clauses 4.2.1 and 4.3.1.

Save as set out above, travel and accommodation expenses for SUPPLIER's personnel visiting the SITE, and possible import duties or taxes for parts replaced or forwarded to the SITE and services carried out under this CONTRACT, shall be for the CUSTOMER's account.

KONGSBERG PROPRIETARY – See statement of Proprietary Information

5.3 Price Adjustment

5.3.1 General Price Increases

The compensation shall be fixed for the first year following the Commencement Date. For subsequent years SUPPLIER the contract will be annually adjusted using the Producer Price Index Data from the Bureau of Labor Statistics (US Department of Labor). The table to be used will be:

Series Id	: WPU453201 Not Seasonally Adjusted
Group	: Professional services (partial)
Item	: Engineering services
Base Date	: 200903

5.4 Payment Terms

The CONTRACT price shall be invoiced once a year in advance on the Commencement Date of this CONTRACT and on anniversaries thereof. SUPPLIER will not commence with the SERVICES until the CONTRACT PRICE for the first year has been duly received.

Payments shall be due thirty (30) days from date of invoice. CUSTOMER undertakes to process and settle invoices by the due dates. Overdue payments are subject to a surcharge of one (1) percent per month or the maximum permitted by law, whichever is lower.

Any non-scheduled costs will be paid separately on a monthly basis, against a SUPPLIER invoice.

KONGSBERG PROPRIETARY – See statement of Proprietary Information

6 SPECIAL TERMS AND CONDITIONS

The following amendments to the Standard Terms & Conditions (Annex A) have been agreed (if any):

6.1 Additional Supplier information

- The first SW scheduled On-site visit shall be made on commencement of this SLA contract.
- The SW scheduled On-site visit will be done by an expert from Kongsberg Norcontrol IT Norway. Ref. 4.2.2
-

In addition to the above, the following have been agreed (if any):

6.2 Equipment not supported

The list below details the equipment not supported within the framework of this Maintenance Contract. Any changes to this list must be agreed between NGPAS and the Customer.

- Fuses, batteries and other consumable items
- Headsets, microphones, handsets, foot switches
- Backlight unit in touch screen panels
- Monitor associated with the VTMIS
- Computer keyboard and printers
- Racks, cables and connectors
- Antennas and filters
- Magnetrons
- Other

KONGSBERG PROPRIETARY – See statement of Proprietary Information

Annex A –
Standard Terms and Conditions for Service Level Agreement

1 GENERAL

1.1 The contract documents (the "CONTRACT") shall consist of (i) the "Form of Agreement", describing the parties and any special terms upon which the parties agree, (ii) these "Standard Conditions", (iii) the description of the SYSTEM, (iv) Scope and Terms of any agreed SYSTEM Upgrades and (v) any other document specifically referred to in the Form of Agreement and incorporated by reference.

1.2 If a conflict arises between or among the terms of the documents forming the Contract, the documents shall take precedence in the order listed in art 1.1, unless otherwise set forth in the Form of Agreement.

2 THE SYSTEM

The SYSTEM was originally supplied by SUPPLIER.

Prior to the execution of this CONTRACT, the SUPPLIER has inspected and tested the SYSTEM and recorded its state and condition.

3 THE TERM AND NATURE OF AGREEMENT

3.1 Commencement Date

This CONTRACT will commence on the date specified in the Form of Agreement (the "Commencement Date").

3.2 Duration of CONTRACT

The intention of Service Level Agreements is to establish a long lasting maintenance service program extending over 5 years in order for the CUSTOMER to be able to get the most benefit out of its SYSTEM.

This CONTRACT shall run for an initial 60 months period ("Initial Period") and shall can be renewed for a further 12 month period at the end of this Initial Period and on each subsequent anniversary of the Commencement Date.

KONGSBERG PROPRIETARY – See statement of Proprietary Information

3.3 Non-exclusive agreement

It is understood and agreed that this CONTRACT does not grant to SUPPLIER any exclusive rights to do business with CUSTOMER and also that CUSTOMER may contract with other suppliers for the procurement of similar services. Nothing in the CONTRACT prevents SUPPLIER from marketing, developing, using and performing similar services or products to other potential Customers.

4 SERVICES

4.1 Overall Warranty

SUPPLIER warrants that the SERVICES will be performed in a professional and workmanlike manner consistent with industry standards reasonably applicable to such services. SUPPLIER will through the performance of the SERVICES contribute, together with the CUSTOMER to secure the uninterrupted operation of the SYSTEM.

The SUPPLIER are not liable for any warranties of parts supplied under sections 5.3.4 & 5.3.5 below beyond the warranties supplied by their Sub-Suppliers.

4.2 Expertise and Capacity

SUPPLIER shall maintain adequate expertise and capacity to offer the SERVICES for the duration of this CONTRACT. SUPPLIER warrants that it will comply with and maintain the following Quality Standards:

AQAP 2110	NATO Quality Assurance Requirements for Design, Developement and Production.
ISO 9001:2008	Quality Management Systems – Requirements
AQAP 2210	NATO Supplementary Software Quality Assurance Requirements to AQAP 2110

4.3 Rectification of damage

At SUPPLIER's sole cost, SUPPLIER shall repair any damage on or to the SYSTEM caused by SUPPLIER when performing the SERVICES. Also at SUPPLIER's sole cost, SUPPLIER shall repair any damage on or to the SYSTEM caused by the provision by SUPPLIER to CUSTOMER of incorrect written instructions on how to repair or address a certain issue as part of the performance of the SERVICES. SUPPLIER's obligations to repair and replace the SYSTEM shall be CUSTOMER's sole and exclusive remedy for damages on or to the SYSTEM as described in this Clause 4.3 and CUSTOMER shall have no other remedies, express or implied.

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4.4 Support Organisation

CUSTOMER and SUPPLIER contact persons for contractual matters, operational/technical matters, telephone/telefax numbers and e-mail address shall be as specified in the Form of Agreement.

4.5 Service Reports

SUPPLIER shall provide a maintenance log dedicated to the SYSTEM, to enable SUPPLIER and CUSTOMER to monitor, evaluate and analyse the SERVICES performed. In the case of service carried out by CUSTOMER without the presence of SUPPLIER's representative, CUSTOMER shall issue a service report and forward one copy to SUPPLIER without delay.

4.6 Consulting Assistance

SUPPLIER will for the duration of the CONTRACT provide general consulting assistance and guidance on overall issues regarding the SYSTEM and provide cost estimates in respect of possible future SYSTEM extensions, modifications, or renewal. Specific consulting assistance and assistance on current operational issues will be subject to separate agreement.

4.7 Service Level

The CUSTOMER has specified the service level applicable to this CONTRACT in Clauses 4.2 and 4.3 of the Form of Agreement and the CONTRACT PRICE is determined based on this specific service level. The content of the specific services available are listed in the sub-Clauses to this Clause 5.

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5 CUSTOMER DUTIES AND RESPONSIBILITIES

CUSTOMER has the overall responsibility to ensure that all CUSTOMER personnel who use the SYSTEM are adequately qualified and have received suitable training both to ensure the safety of the CUSTOMER's personnel and to safeguard the SYSTEM. These requirements apply regardless of whether CLIENT has included the Technical Service Training Courses as part of the SERVICES.

It is a prerequisite for the successful day-to-day operation of the SYSTEM and for the performance by the SUPPLIER of the SERVICES that the CUSTOMER operates the SYSTEM as intended, according to any applicable Operations Manuals, performs day-to-day cleaning and maintenance and otherwise exercises the care required by a prudent computer operator.

Customer shall ensure and be responsible for the performance of Level 1 and Level 2 Maintenance of the SYSTEM.

Level I maintenance comprise cleaning of screens, removing of dust (vacuum cleaning), exchange of defective bulbs and fuses and regular maintenance of printers, plotters, etc., and regular software back-ups, all according to applicable manuals from original suppliers.

Level II maintenance includes periodic preventive maintenance and first line corrective maintenance, the so called "repair by replacement" level, including any basic software reinstallations.

CUSTOMER will ensure that SUPPLIER has timely access to appropriate CUSTOMER personnel and will arrange for SUPPLIER personnel to have suitable and safe access to CUSTOMER's facilities and the SYSTEM. CUSTOMER will also provide suitable office space and associated resources for SUPPLIER personnel working on-SITE including all necessary computing and office support resources.

CUSTOMER will respond promptly, and in any case, within five Working Days, to SUPPLIER requests to provide direction, information, approvals, authorisations or decisions that are reasonably necessary for SUPPLIER to perform the SERVICES. All time limits with regard to SUPPLIER's response time set forth in this CONTRACT are always subject to CUSTOMER responding promptly to any requests by SUPPLIER.

CUSTOMER shall ensure that all necessary auxiliary equipment such as air conditioning, humidifier, etc. are working properly at all times. CUSTOMER shall also ensure that all environmental requirements and control of static electricity, power failures, UPS failures, lightning strikes, and brown-outs are complied with. If proper environmental conditions are not maintained at all times, SUPPLIER reserves the right to suspend the SERVICES, by providing the CUSTOMER with written notice of such action.

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6 GENERAL CONDITIONS

6.1 Modification

CUSTOMER shall ensure that the SYSTEM is used in accordance with documentation supplied by SUPPLIER. Any contemplated modification of the SYSTEM or its operating mode shall require written approval by SUPPLIER prior to instigation.

SUPPLIER shall have no obligation to provide SERVICES on equipment or software exposed to conditions outside the SYSTEM specification. In such case the Parties shall mutually agree on the actions to be taken in order for SUPPLIER to continue its SERVICES on such part of the SYSTEM.

6.2 Intellectual Property Rights

All patents, trademarks, know-how and other intellectual property rights relating to the SYSTEM and the SERVICES provided hereunder, belong to SUPPLIER and shall remain its sole property. Nothing in this CONTRACT shall be construed as a right to license, sub-license or otherwise grant any rights of any kind to or in such intellectual property rights.

6.3 Amendment

In the event of SYSTEM extensions, major updates, or modifications, this CONTRACT shall be amended accordingly. Alternatively, a new CONTRACT shall be entered into and this CONTRACT rendered void.

6.4 Force Majeure

Neither Party will be liable for any failure or delay in its performance under this CONTRACT due to reasons beyond its reasonable control, including acts of war, acts of God, earthquake, flood, riot, embargo, sabotage, governmental act or failure of the Internet, abnormal power supply and power disturbance, provided always that the delayed party gives the other party prompt notice of the reasons for such cause.

6.5 Liability

Notwithstanding anything to the contrary specified in the Contract, SUPPLIER shall have no liability towards the CUSTOMER for circumstances which is not solely attributable to SUPPLIER. Neither the CUSTOMER nor SUPPLIER shall be liable to the other by reason of any breach of the Contract or of statutory duty or by reason of tort of whatever reason (including but not limited to negligence) for any loss of profit, loss of data, loss of use, loss of production, loss of contracts, attorney's fees or for any indirect, consequential or special damages whatsoever that may be suffered by the other, and the total

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liability of either the CUSTOMER or SUPPLIER respectively on any claim for any one act, omission, defect or default; arising from or related to the Contract shall not exceed a sum equal to the accumulated payments made by the CUSTOMER to SUPPLIER up to the point of such first liability occurrence.

Annex B – Description of system

1 GENERAL

The below lists describes the parts that are under

1.1 CUSTOMER Responsibility

Unless otherwise specified in the list below, the CUSTOMER is responsible for keeping the SYSTEM's Operative System and any Anti Virus applications updated. These include, but are not limited to, general security as well as anti virus signature files updates.

Any problems on the SYSTEM related to or caused by missing updates as mentioned above will be considered not covered by this CONTRACT.

Regular System backup procedures are CUSTOMER responsibility

Hardware included in this agreement under SUPPLIER's responsibility

REDACTED

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REDACTED

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ANNEX C TO CONTRACT
SYSTEM UPGRADE[1]

CONTRACT SECTION 4.4.6 references a specific SYSTEM upgrade as described in this ANNEX C:

The SUPPLIER will upgrade the SYSTEM with the latest release of installed Kongsberg C-Scope Software available at the time of Scheduled On-site visit.

Number or scheduled on-site visits is described in Section 4.3.2.

Date/Timeframe for Scheduled On-site visit to be agreed upon between SUPPLIER and CUSTOMERS.

SYSTEM-software UPGRADE will be applied to the modules, parts and locations described in Annex B Description of System.

Such SYSTEM-software UPGRADE shall not include updates to software developed by third parties unless such update is made generally available and is supplied to SUPPLIER free of charge and is explicitly stated as included.

SUPPLIER will NOT be responsible for upgrading any of the SYSTEM Hardware, Network modules or 3rd party software that becomes necessary due to any SYSTEM Upgrade.

SUPPLIER will inform CUSTOMER in advance of any SYSTEM Upgrade if a Hardware upgrade/ Network modules upgrade/3rd party software is recommendable as a consequence of the SYSTEM Upgrade.

[1] From Rune Johansen, Kongsberg Norcontrol email to Kip Louttit,08-28-2017

ANNEX 2

CONTRACT CHANGE ORDER
DATED MAY 18, 2017

CONTRACT CHANGE NOTICE

Kongsberg Norcontrol AS
P.O.Box 1024,
N-3194 HORTEN, Norway

KONGSBERG

Engineering Change Proposal	
Variation Order	
Contract Change	X

PROJ-2017-026476/19-May-2017

KNC Project No.	Originator:	Date:	ECP No.: N/A
807000052	RJ	18.May.2017	V.O No.:N/A
			C.C No: 1
			Support Case No.: N/A

Customer:	Contract or Order No.:	Project:
Marine Exchange Southern California	803000388 /13 May 2015	SLA Contract Marine Exchange /LA Pilots /Jacobsen Pilot Services

1. SCOPE AFFECTED (To be completed by originator)	Name of System			
	C-Scope SLA Contract Marine Exchange /LA Pilots /Jacobsen Pilot Services			
	Name of Assembly		Type No.:	Serial No.:
	N/A		N/A	N/A

REDACTED

3. CHANGE IMPACT		
	Documentation	: N/A
	Scope of Supply	: N/A
	Delivery Schedule	: N/A
	Payment Schedule:	N/A
	Contract	: Adjusted Contract Price due to Prixe Index and Added scope.
	Risk	: N/A

CONTRACT CHANGE NOTICE

Kongsberg Norcontrol AS
P.O.Box 1024,
N-3194 HORTEN, Norway

KONGSBERG

Engineering Change Proposal	
Variation Order	
Contract Change	X

PROJ-2017-026476/19-May-2017

4. ENGINEERING APPROVAL (To be completed by Customer)	ENGINEERING APPROVAL / COMMENTS: ☐ APPROVED ☐ REJECTED ☒ NOT APPLICABLE	Date: n/a Customer Engineering Signature

REDACTED

ANNEX 3

ON-CALL SITE VISITS COSTS
SUPPLIER'S HOURLY RATES AND OTHER CHARGES

{TO BE SENT BY SUPPLIER}

KONGSBERG

Kongsberg Norcontrol

Service Rates - 2018

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Revisions

Rev.	Date	Inc. by	Rev.	Date	Inc. by
J	2009.01.06	JAE	P	2015-01-26	JAE
K	2010.01.25	JAE	Q	2016-01-08	JAE
L	2011-01-18	JAE	R		FEF
M	2012-01-13	JAE	S	2017-03-10	LV
N	2013-01-24	JAE/BY	T	2017-10-16	JAE
O	2014-03-06	JAE			

Document history

Rev.	Appr. WF No.	Paragraph No.	Description of Change
A	DEL-	-	First issue
Rev. J	SUP-0035		Issue for 2009. Revised rates & new layout.
Rev. K	SUP-0064		Revised rates for 2010
Rev. L	SUP-0095		Common list for all KNC companies. Revised rates for 2011
Rev. M	SUP-0109		Revised rates for 2012
Rev. N	SUP-0137		Revised rates for 2013, BY para 1.1
Rev. O	SUP-0155		Revised rates for 2014
Rev. P	SUP-0165		Revised rates for 2015. Added KNC IN
Rev. Q	SUP-0177	1.	Revised rates for 2016. Amended company abbreviations
Rev. R			Voided
Rev S	SUP-0192	1	Revised rates for 2017
Rev T		All	Text updated and Revised for 2018

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KONGSBERG

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1 KNC SERVICE RATES

1.1 Hourly Rates

Type of service	KNC AS	KNC UK	KNC SG
General hours	NOK 1407	GBP 98	SGD 197
Company car miles rate	NOK 5,50 per km	GBP 0.618 per mile	SGD 0.60 per km
Engineering/ Specialist engineer	NOK 1651	NA	NA
Consultant/ Project Manager	NOK 1915	NA	NA

1.2 Daily Rates

1.2.1 Workdays

Type of service	Rate
Engineering/ Specialist engineer	NOK 19 812.-
Consultant/ Project Manager	NOK 22 982.-

1.2.2 Weekends Public Holidays*

Type of service	Rate
Engineering/ Specialist engineer	NOK 39 624.-
Consultant/ Project Manager	NOK 45 964.-

*: Weekend/Public Holidays as defined for KNC's personnel home-base.

1.3 Offshore

Type of service Offshore*	Rate
Daily Rate Workdays	NOK 26 416.-
Daily Rate Weekend & Public Holidays	NOK 52 832.-

*:Offshore defined as any oil rig/offshore installation or other vessel.

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Notes Daily Rates:

Daily rates are charged per days spent.

Work or stay of more than 6 hours into next day, will be charged as an additional day.

Normal daytime defined 00:00 to 24:00, where regular worktime is defined 06:00-24:00.

Work during period 00:00-06:00 (typical night-shift) will have to be agreed upon in advance and will be charged according to separate rates upon request.

1.4 Overtime Weekdays

Work beyond 8 hours a day incurs an additional charge of +50% on the hourly charge for the first 4 hours.

Additional hours beyond the above 4 hours are charged at an additional 100% of the hourly rate.

Please note the recommendations set out in section 3.2 regarding working hours.

1.5 Weekend hour rates

Work on Saturdays, Sundays and Public Holidays* incurs the following additional charges based on the above stated hourly rates:

- Additional 100% of the hourly rate

*: Weekend/Public Holidays as defined for KNC's personnel home-base.

Note:
Charges start from time of departure from Kongsberg Norcontrol office.
Charges finish on arrival back at Kongsberg Norcontrol office or base.

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1.6 Offshore Surcharge

Any work offshore, etc is charged according to Section 1.4 Offshore Daily Rates

An additional offshore surcharge is invoiced for each day offshore as follows:

KNC AS: NOK 3881.-

KNC SG: SGD 356

KNC UK: GBP 172

1.7 Waiting time

Waiting time caused by the customer is charged at 75% of standard hourly rates, but is limited to 8 hours per day.

1.8 Travel Time

Travel time between KNC office and customer site/hotel/destination is charged at 75% of the above mentioned Hourly Rate/Daily Rate.

*Travel time does not apply to internal travel/shuttling between customer's sites.

1.9 Mobilization Fee

A mobilization fee will be charged for all on-call service-visits.

Mobilization Fee: **NOK 13 208.-**

1.10 Daily Allowance

Daily Allowance is charged according to the regulations stated by the Norwegian Government for each country/area.

Please note the service rates stated above are exclusive of any VAT/GST/tax/duty.

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1.11 Travelling & Accommodations

All travelling-expenses, tickets, rental-cars, and accommodations are charged at cost plus 10 (ten) percent.

1.11.1 Air travel

KNC personnel will book and travel on Full Flex Economy tickets with major/KNC preferred airlines to all destination.

1.11.2 Hotel/Accommodation

KNC personnel will book and stay at standard Business class hotels in proximity of customers premises.

1.11.3 Rental Cars

KNC will book Medium Class rental cars from Kongsberg approved partners for transportation to and from customer location/airport.

1.12 Special Conditions High Risk Areas

- Special Rates & Requirement apply for travel and work in risk/high-risk areas/regions, etc specified by Norwegian Ministry of Foreign Affairs.
- Rates and Requirements available upon requests.

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2 VALIDITY

KNC Service Rates are normally valid for the year specified in the document.

KNC reserves the right to change and alter all or parts of the documents without prior notice.

3 HSE / WORKING CONDITIONS FOR KNC PERSONNEL ON SITE

When working in Norway or on Norwegian installations our employees working conditions must comply with the Norwegian National Rules; which are always to be used as a guideline for the conditions we expect overseas.

3.1 Working Conditions

KNC expect the Customer to follow internationally accepted standards for HSE / working conditions.

If our representative deems the conditions to be unsafe and/or harmful to health, we reserve the right for him/her to stop the work until the situation is cleared and acceptable.

This situation is most likely to be resolved between the Customer and our representative at site. If this is not achievable, the KNC Head Office will be contacted for consultation.

Delays caused by the above are chargeable at general support rates.

3.2 Working Hours

KNC representatives are in general to follow Norwegian Government rules when it comes to working hours. This means as standard, 8 hours onshore and 12 hours offshore. Overtime may be applicable if deemed necessary in order to meet requirements set, but is not to exceed 16 hours a day.

The minimum resting time between two working periods/days is 8 hours.

If the Customer insists on extending the above working hours inclusive overtime /resting period, the customer is responsible for any human errors induced due to the detrimental effects this may have on the alertness of our employee.

Possible faults deemed to be related to or as a direct result of the above will be charged at our standard hourly rates. As such, KNC recommend our Customers to avoid extension of the working hours beyond the above recommendations.

3.3 Accommodation

For offshore/vessels and other limited access locations, were Customer is providing accommodation and/or meals on site, KNC require a reasonable standard for their representative and as a minimum:

- A proper clean single bed with linen in an environment suitable for sleeping,
- Proper facilities for taking care of personal hygiene and washing of clothes,

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- A minimum of 3 (three) meals per day including availability of drinking water at all times.

In the event of the above requirements not being fulfilled, KNC will charge the Customer according to the standard Norwegian Government rates for daily allowance and accommodation. If this is applicable, it will be noted in the KNC representative's Service Report.

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ANNEX 4
COST SHARING FORMULA
AND ANNUAL COST SHARE SPEADSHEET FORMAT

1. ANNUAL CONTRACT PRICE. The CONTRACT PRICE in CONTRACT Section 5.1, as adjusted by GENERAL PRICE INCREASES in CONTRACT section 5.3, shall be split among the three CUSTOMERS according to this formula.: the total amount due in the annual invoice shall be allocated to each CUSTOMER based on the amount of equipment, hardware, and software for each organization, with increases and decreases based on equipment changes.

2. ADDITIONAL CHARGES. In addition, if any CUSTOMER(S) receive additional charges for additional equipment or work that is not included in the CONTRACT PRICE applicable to all, and excluded for separate payment pursuant to CONTRACT Section 5.2, each CUSTOMER shall be responsible for its own applicable additional charges. For example, when LA Pilots added equipment in the CONTRACT CHANGE in ANNEX 2, it was charged an additional $3,500 for such added equipment but MX and JPS were not affected.

Please see the attached spreadsheet, detailing the original cost of the equipment and licenses for each organization, and the spread of the maintenance cost based on the applicable equipment and licenses.

REDACTED