COUNTY OF LOS ANGELES

FIRE DEPARTMENT

1320 NORTH EASTERN AVENUE
LOS ANGELES, CALIFORNIA 90063-3294

(323) 881-2401

P. MICHAEL FREEMAN
FIRE CHIEF
FORESTER & FIRE WARDEN

May 17, 2005

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, CA 90012

Dear Supervisors:

APPROVE THE FIRE DISTRICT'S PURCHASE OF TWO BELL 412EP HELICOPTERS AND ANCILLARY EQUIPMENT; CHANGE THE ALLOCATION OF MEASURE B TRAUMA CARE FUNDS TO THE FIRE DISTRICT, BEGINNING IN FISCAL YEAR (FY) 2005-06, FROM $2.0 MILLION PER YEAR FOR ONE FIREHAWK LEASE-PURCHASE TO APPROXIMATELY $1.0 MILLION PER YEAR FOR ONE BELL 412EP LEASE-PURCHASE; AND APPROVE RELATED FINANCING PLAN USING MEASURE B AND FIRE DISTRICT FUNDS FOR TWO BELL 412EP HELICOPTERS
(ALL DISTRICTS) (3 VOTES)

JOINT RECOMMENDATIONS WITH THE DIRECTOR OF HEALTH SERVICES AND THE CHIEF ADMINISTRATIVE OFFICER THAT YOUR BOARD, ACTING AS THE GOVERNING BODY OF THE CONSOLIDATED FIRE PROTECTION DISTRICT OF LOS ANGELES COUNTY:

1. Approve the Fire District's purchase of two Bell 412EP Helicopters and ancillary equipment at a total estimated cost of $16 million. This purchase request exceeds the $250,000 fixed asset threshold established by your Board and requires your approval.

2. Instruct the Purchasing Agent and the Fire Chief to complete and execute all necessary purchasing documents with Bell Helicopter Textron, Inc. in Fort Worth Texas for two Bell 412EP Helicopters, Breeze-Eastern in Union, New Jersey for rescue hoists, and the Sheetcraft Company in Santa Paula, California for water tanks and snorkels. These will be sole source purchases based on Fire District program requirements.

3. Instruct the Fire District to seek Requests for Proposals (RFP) for the helicopter avionics and interior emergency medical services (EMS) work required to meet the District's operational needs; and to return to the Board for approval of the successful bidder for award of contract.

4. Approve the Director of Health Services' recommendation to change the annual allocation of Measure B funds to the Fire District, beginning in FY 2005-06, from $2.0 million per year for one Firehawk lease purchase to approximately $1.0 million per year for one Bell 412EP lease purchase to continue the expanded trauma air transport services in the Antelope Valley at a 24-hour/7-day-a-week level, and instruct the Chief Administrative Officer to include an annual $1.0 million allocation of Measure B funds to the Fire District in budgets that are submitted for Board approval in subsequent years until the helicopter lease purchase is completed. In the event additional trauma centers come on line in the underserved areas, the Director of Health Services and the fire chief will evaluate the reallocation of this funding and make a recommendation to the Board.

5. Authorize the Internal Services Department and the Chief Administrative Office to obtain tax-exempt, lease financing in a principal amount not to exceed $8 million towards the purchase of one Bell 412EP Helicopter and ancillary equipment through a competitive bid process and to execute any documents necessary to complete and maintain the transaction. This financing will be paid from Measure B funds (see Attachment I). Principal amortization, which will commence following completion of the equipment, will not exceed ten years and total financing cost will be an amount not to exceed $1.0 million per year.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

Approval of the recommendations now before your Board will: 1) allow the Fire District to replace two of the oldest Bell 412 Helicopters in the District's fleet, and 2) restructure how Measure B funds are being used to support the District's expanded helicopter operations due to a lack of trauma care centers in underserved areas of the County.

The two Bell 412s to be replaced through the recommendations now before your Board were manufactured in 1981. These helicopters lack engine performance and are susceptible to high maintenance costs and downtime. Replacing them will enhance the overall reliability and operational readiness of the District's helicopter fleet.

Implementation of Strategic Plan Goals

Approval of the recommended action is consistent with the County's Strategic Plan Goal #4 Fiscal Responsibility.

FISCAL IMPACT/FINANCING

On April 19, 2005, your Board approved an Appropriation Adjustment that moved $22 million from the Fire District's Operating Budget to the District's Helicopter ACO Fund to provide funding for paying off the remaining principal on the Firehawk which was purchased during 2003-04 and to cash purchase one Bell 412EP. The $2.0 million in Measure B funding budgeted for the District in 2004-05 has already been used to pay for the Firehawk's financing costs for this current fiscal year. In 2005-06, Measure B will provide $1.0 million to the District for the financing of one Bell 412EP, which will allow the reallocation of $1.0 million of Measure B funds to other trauma care-enhancement activities.

Attachment I shows the costs of the helicopters and ancillary equipment. The Fire District will pay for the water tanks for both helicopters since this equipment is needed solely for fire fighting, not for trauma patient air transportation. The District paid for the water tank for the Firehawk financed by Measure B funds in 2003-04.

Each fiscal year the Fire District will be budgeted to receive $1.0 million of Measure B funds. The lease payments on the new Bell 412EP Helicopter are projected to start in January 2006, reflecting a half-year of payments in FY 2005-06. For FY 2005-06, the Fire District will use the remaining portion of the $1.0 million Measure B allocation not required for scheduled lease payments to prepay outstanding loan principal and thereby ensure that future year lease obligations will not exceed $1.0 million per year. Once the lease financing costs have been paid off, the Director of Health Services will be making recommendations to your Board on how this $1.0 million annual funding from Measure B should be reallocated to enhance the County's trauma system.

In the future, there will be sufficient Fire District funds to pay for the increased insurance costs associated with these helicopters. These costs will begin in FY 2005-06 when the helicopters are completed and accepted by the District.

Following the Board's November 12, 2003 instruction, we have obtained the concurrence of the Director of Health Services for this recommended change in expenditure of Measure B funds as indicated by his signature on this letter.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

On February 2, 2005, the Fire Chief sent Bell Helicopter Textron Inc. a letter advising them of the Fire District's intent to purchase two Bell 412EPs. Your Board was sent a copy of this letter which was reviewed by County Counsel and incurs no obligation on the part of the District. Based on this letter, Bell has placed a floating hold on two Bell 412EPs going through its production line. With your Board's approval of this letter, the purchase of these helicopters will be completed and delivery will be made to the District by December 2005. The helicopters will then be outfitted with avionics and EMS interiors to meet District needs, and rescue hoists will be installed along with water tanks. The replacement helicopters will be operational by mid-summer 2006.

The Bell 412EPs will be a sole source acquisition because no other helicopter meets the Fire District's requirements. Pilots and mechanics are already trained for the 412s, and the District has the specialized tools required for maintenance. Attachment II is the contract that the District negotiated with Bell Helicopter Textron Inc. as approved by County Counsel as to form. The Sheetcraft Company will be the sole source for the water tanks. This company has made all of the water tanks for the District's 412s, and it is necessary that tanks be interchangeable among all the 412s to ensure operational effectiveness. Breeze-Eastern will be the sole source for the rescue hoists. This company has manufactured all of the rescue hoists used in the District's helicopters, and compatibility of parts and the performance characteristics of this company's hoists are critical to have.

There are several companies that have done avionics/EMS outfitting for Bell 412s. Therefore the Fire District must go out for an RFP to obtain bids from qualified helicopter outfitters (completion centers) and then come back to your Board for approval of a contract. The equipment that the successful bidder will have to order has a considerable lead time for delivery. The District will not be able to go back to your Board for award of contract until July 2005. However, the District believes there will be sufficient time for the helicopter completion center to order equipment in order to be ready to work on the 412s when the District accepts them from Bell Textron Inc. in December 2005. The District is planning on having the new 412EPs operational by summer of 2006.

The Internal Services Department has reviewed this request and concurs with the acquisition strategy.

It is the Fire District's intention to take one of the two oldest 412s out of service as soon as the replacement 412EPs are operational. That helicopter would either be sold as is or for replacement parts for a helicopter operator. The second 412 would be retained as a backup aircraft until overall helicopter fleet needs are assessed in 2006.

CONTRACTING PROCESS

This is a commodity purchase under the statutory authority of the County purchasing agent. The purchase of the helicopters, tanks, and rescue hoists will be requisitioned through, and accomplished by the purchasing agent in accordance with the County's purchasing and contracting policies and procedures. The avionics and EMS interiors will be obtained through a Fire District request for proposal, following County contracting policies and procedures, with approval of a contract to be made by the Board of Supervisors.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

The purchase of these helicopters will allow the Fire District to continue the enhanced trauma patient transportation services now being provided, as well as the wildland fire fighting and rescue services that make up the District's main air mission.

CONCLUSION

Upon approval by the Board of Supervisors, please return adopted copies of this letter to:

1. Los Angeles County Consolidated Fire Protection District
   Materials Management Division
   5801 South Eastern Avenue, Suite 100
   Commerce, CA 90040
   Attention: James Ealey, Chief, Materials Management Division

2. Internal Services Department
   Purchasing Division
   1100 North Eastern Avenue, Room 102
   Los Angeles, CA 90063
   Attention: Joe Sandoval, Division Manager, Purchasing Division

Respectfully submitted,

P. MICHAEL FREEMAN

PMF:mr

Attachments

Reviewed by:

DAVID E. JANSSEN
CHIEF ADMINISTRATIVE OFFICER

Reviewed by:

DR. THOMAS L. GARTHWAITE
DIRECTOR, HEALTH SERVICES

c: Chief Administrative Office
County Counsel
Department of Health Services
Auditor-Controller
Internal Services Department
Executive Office, Board of Supervisors

Attachment I

Bell 412EPs Purchase Plan Details
May 2005

Item/ Vendor	Total Price	Funding Source	
		Measure B One Bell 412EP 10 Year Lease-Financing	**Fire District** One Bell 412EP Cash Purchase
Two Bell 412EPs	$12,255,890	$6,127,945	$6,127,945
Avionics/EMS Interior – vendor to be determined via RFP	$ 2,000,000 **(A)**	$1,000,000	$1,000,000
Tank - Sheetcraft Co.	$ 170,000	N/A	$ 170,000 **(B)**
Rescue Hoist - Breeze-Eastern	$ 195,740	$ 97,870	$ 97,870
Subtotal	$14,621,630	$7,225,815	$7,395,815
Sales Tax (8.25%)	$ 1,206,285	$ 596,130	$ 610,155
Total	**$15,827,915**	**$7,821,945**	**$ 8,005,970**

A. Includes 5% for change orders.
B. District will pay for the tanks for both 412EPs, at $85,000 per helicopter.

BELL HELICOPTER TEXTRON INC.
P.O. Box 482
Fort Worth, Texas 76101
Facsimile (817) 278-8589
Attn: Director of Commercial Business Operations

PURCHASE AGREEMENT
(New Helicopters)

The parties to this Agreement are BELL HELICOPTER TEXTRON INC. a Delaware corporation, having its principal place of business in Fort Worth, Tarrant County, Texas, U.S.A., (hereinafter "Seller") and:

Customer Name: CONSOLIDATED FIRE PROTECTION DISTRICT OF LOS ANGELES COUNTY **Address:** 1320 North Eastern Avenue, Los Angeles, California 90063-3294	DATE: 4-May-05
Contact : Lee Benson **Telephone:** 818-890-5755 **Fax:** (Hereinafter "Purchaser")	CONTRACT NO. 14500

In consideration of the following premises and mutual agreements, the parties agree as follows:

ARTICLE 1: DESCRIPTION AND PRICING

Seller agrees to sell to Purchaser and Purchaser agrees to purchase from Seller the equipment (hereinafter "Equipment") in the quantities and at the agreed unit and total prices, all as set forth on Appendix 1.

ARTICLE 2: CONFIGURATION

1. **Selection**: The Equipment will be manufactured in accordance with Seller's current production configuration for the selected model. The Purchaser's specified configuration, including installed accessories and customization, is specified on Appendix 1.

2. **Changes:**
   a. **Purchaser Requested Changes** - Configuration changes to the Equipment requested by Purchaser after Purchaser executes this Agreement, shall be specified on Appendix 2. All Purchaser-requested configuration changes are subject to an adjustment to the total purchase price of the Equipment, required payments and of the Acceptance Month as defined in Article 4 below.

   b. **Mandated Changes** - Configuration changes may be made at any time by Seller to conform to regulations of the US or Canadian civil aviation authorities or Seller's current manufacturing or engineering requirements without the consent of Purchaser so long as such revisions do not result in a reduction of the performance or limitations as stated in the current Flight Manual of the Equipment as published by Seller.

ARTICLE 3: PAYMENT

1. Purchaser shall pay Seller the total purchase price for the Equipment as specified in Appendix 1, in the amount of $US Dollars by bank transfer to Seller's account at Chase Manhattan Bank, ABA# 02-10-000-21, 4 New York Plaza, 15th Floor, New York, New York 10004 for the account of Bell Helicopter Textron Inc., Account Number 910-2-403483, or such other bank account as the Seller may specify to Purchaser in writing:

a. **Deposit:** Upon signature by Purchaser of this Agreement, Purchaser shall pay to Seller a non-refundable Deposit in the amount of $*0.*
   a. **Balance of Payment:** Purchaser shall pay to Seller the balance payment of the total purchase price of the Equipment at the time of Acceptance of the Equipment pursuant to Article 4 and prior to shipment of the Equipment from Seller's facility.

2. The following payment methods may be used by Purchaser to comply with the aforementioned Payments:

   ☒ **BANK TRANSFER:** paid to Seller's account as specified in Paragraph 1 above.

   ☐ **IRREVOCABLE LETTER OF CREDIT:** issued within thirty (30) calendar days following the date Purchaser executes this Agreement, confirmed by a United States bank and payable in United States Dollars, to be effective at least two (2) months before the Acceptance Month specified in Article 4 and to continue effective for a minimum of one (1) month

thereafter. Said letter of credit shall be subject to the approval of Seller and interpreted under the Uniform Customs and Practice for Documentary Credits published by the International Chamber of Commerce. Additional restrictions or delivery terms not contained herein shall not be included in the letter of credit. All related bank charges shall be for the account of Purchaser. Payment to Seller under the letter of credit shall be made upon presentation to the bank of the following documents: a) Four (4) signed copies of Seller's commercial invoices; and b) A copy of an executed Certificate of Acceptance or Certificate of Acceptance with Waiver of Inspection; or c) In the case of shipment by ocean or air freight, a copy of an ocean/airway bill of lading evidencing shipment via commercial carrier.

ARTICLE 4: ACCEPTANCE

The Equipment shall be accepted by Purchaser in the month of December 2005 ("Acceptance Month") at Seller's designated facility in: ☒ Fort Worth, Texas U.S.A., or ☐ Mirabel, Canada, as specified by Seller, or ☐ as otherwise agreed by the parties. At least fifteen (15) calendar days prior to the date when the Equipment is ready for inspection, Seller shall give Purchaser written notice of the date when the Equipment will be available for inspection (hereinafter "Inspection Date"). No later than ten (10) calendar days following the Inspection Date, an authorized and qualified representative of Purchaser shall (i) inspect and flight test the Equipment at Seller's facility and, if the Equipment is in compliance with the terms of this Agreement, execute Seller's Certificate of Acceptance for the Equipment or (ii) execute and transmit by fax a Certificate of Acceptance with Waiver of Inspection for the Equipment. In the event the Equipment is not in compliance with this Agreement, Purchaser shall specify to Seller in writing any deficiencies with the Equipment. Following cure of such deficiencies, the parties shall continue the acceptance procedures.

In the event that Purchaser is financing the purchase of the Equipment, the Acceptance Month is subject, at Seller's sole discretion, to change until Purchaser is approved for financing. Within ten (10) calendar days after Purchaser is approved for financing, Seller shall inform Purchaser of any delays to the Acceptance Month. In the event that the Purchaser fails to timely provide detailed configuration, including interior, and exterior definitions as required in Appendix 1, the Acceptance Month is subject, at Seller's sole discretion, to change until the required interior and exterior definitions are furnished to Seller.

Execution of the Certificate of Acceptance or Certificate of Acceptance with Waiver of Inspection, as appropriate, shall constitute acceptance ("Acceptance") of the Equipment by Purchaser. If Purchaser fails to complete either (i) or (ii) above within the ten (10) calendar day period specified above for reasons not attributable to Seller, Seller shall have the option to (a) terminate this Agreement and retain all payments previously made by Purchaser as liquidated damages but not as a penalty, or (b) execute the Certificate of Acceptance on behalf of Purchaser which shall constitute Acceptance of the Equipment by Purchaser at which time the balance of the total purchase price shall become due and payable. If the Equipment is Accepted by Seller on behalf of Purchaser as contemplated above, Seller shall be entitled to ship the Equipment to Purchaser in the manner specified below. Acceptance of the Equipment shall constitute Purchaser's agreement that the Equipment conforms to the specified configuration, and the requirements of this Agreement. The date the Certificate of Acceptance or Certificate of Acceptance with Waiver of Inspection is executed by Purchaser, or by Seller on behalf of Purchaser as provided herein, shall be deemed to be the "Acceptance Date."

ARTICLE 5: RISK OF LOSS AND TRANSFER OF TITLE

Upon receipt by Seller of the signed Certificate of Acceptance or Certificate of Acceptance with Waiver of Inspection, as appropriate, risk of loss of the Equipment shall pass to Purchaser. Upon receipt of the full purchase price of the Equipment, Seller shall transfer title to the Equipment to Purchaser free and clear of any and all liens, privileges, encumbrances, charges and rights of others. In the case of financed transactions, upon the execution of the required financing documentation and except as provided for in such financing documentation, Seller shall transfer title to the Equipment to Purchaser free and clear of any and all liens, privileges, encumbrances, charges and rights of others.

ARTICLE 6: DELIVERY LOCATION AND SHIPMENT

Unless Purchaser notifies Seller in writing that Purchaser will pick up the Equipment at Seller's designated facility as specified in Article 4 above, Seller may ship the Equipment to the delivery location specified by Purchaser, Ex Works (INCOTERMS 2000) Seller's facility, Fort Worth, Texas, or Mirabel Canada, as appropriate, by Air Freight, Ocean Freight, or other methods. Purchaser shall be responsible for all freight and ferry charges, disassembly, crating, reassembly and insurance as applicable unless otherwise specified in Appendix 1. Seller reserves the right to assess additional charges for Equipment storage if the Equipment is not removed from Seller's premises within thirty (30) calendar days following the Acceptance Date of the Equipment.

ARTICLE 7: TRAINING

Training shall be provided by Seller to Purchaser in accordance with Appendix 1 herewith and must be used within one (1) year from the Acceptance Date. Such training shall be conducted at Bell's Customer Training Academy in Fort Worth, Texas. Purchaser shall be responsible for all expenses including without limitation, travel, lodging, and meals, incurred by Purchaser's representatives receiving training. Training shall be conducted in the Purchaser's Equipment after Acceptance of the Equipment. Use of a Seller owned helicopter for training shall be charged to Purchaser at Seller's published rates (Seller is not able to offer training for the 430 and 412 in a Seller owned helicopter).

ARTICLE 8: EVENTS OF DEFAULT AND TERMINATION

Except as set forth in Article 13 below, in the event that (i) this Agreement is breached, canceled or terminated by Purchaser for any cause whatsoever, or (ii) Purchaser fails to pay the deposits, down payments or balance due on the Equipment, or any other charges for which it is responsible under this Agreement when due, then Seller shall have the right to terminate this Agreement and retain all payments previously made by Purchaser as liquidated damages but not as a penalty.

Before the Seller terminates this Agreement for any of the grounds set forth in this Article, Seller shall give Purchaser 30 days notice to resolve any problem or cure any deficiency before the Agreement is terminated.

ARTICLE 9: WARRANTY AND REMEDY

Purchaser hereby elects one of the following Warranty Options by checking the appropriate box below.

- ☐ Two Years/1000 Hours Non-Prorated, whichever occurs first.
- ☐ Two Years/2000 Hours Prorated, whichever occurs first.
- ☒ Three Years/500 Hours Non-Prorated, whichever occurs first.

Seller warrants each new helicopter to be free from defects in material or workmanship under normal use and service. Seller's obligation under this warranty is limited to replacement or repair of parts which are determined to Seller's reasonable satisfaction to have been defective within the period of the warranty option selected above.
Note: Parts, components and assemblies of all new helicopters may have been restored or reworked due to mars, blemishes, dents or other irregularities during the manufacturing process. Such restoration and/or rework is permitted under Seller's approved manufacturing and engineering processes and guidelines. The restoration and/or rework so completed does not render such items defective in material or workmanship.

THIS WARRANTY IS GIVEN AND ACCEPTED IN PLACE OF (i) ALL OTHER WARRANTIES OR CONDITIONS, EXPRESS OR IMPLIED, INCLUDING BUT NOT LIMITED TO, THE IMPLIED WARRANTIES OR CONDITIONS OF MERCHANTABILITY AND FITNESS FOR PARTICULAR PURPOSE AND (ii) ANY OBLIGATION, LIABILITY, RIGHT, CLAIM OR REMEDY IN CONTRACT OR IN TORT, INCLUDING PRODUCT LIABILITIES BASED UPON STRICT LIABILITY, NEGLIGENCE, OR IMPLIED WARRANTY IN LAW.

This warranty is the only warranty made by Seller. The Purchaser's sole remedy for a breach of this warranty or any defect in a part is the repair or replacement of helicopter parts and reimbursement of reasonable freight charges as provided herein. Seller excludes liability, whether as a result of a breach of contract or warranty, negligence or strict product liability, for incidental or consequential damages, including without limitation damage to the helicopter or other property, costs and expenses resulting from required changes or modifications to helicopter components and assemblies, changes in retirement lives and overhaul periods, local customs fees and taxes, and costs or expenses for commercial losses or lost profits due to loss of use or grounding of helicopters or otherwise.

Seller makes no warranty and disclaims all liability in contract or in tort, including, without limitation, negligence and strict tort liability with respect to work performed by third parties at Purchaser's request and with respect to engines, engine accessories, batteries, radios, and avionics except Seller assigns and agrees to administer on Purchaser's behalf each manufacturer's warranty to the extent such manufacturer's warranty exists and is assignable.

This warranty shall not apply to any helicopter or part thereof which has been repaired or altered outside Seller's factory in any way so as, in Seller's judgment ***(Seller shall consult with Purchaser prior to Seller's final decision in the event that Seller determines that a warranty claim is not justified)*** to affect its stability, safety or reliability, or which has been subject to misuse, negligence or accident. ***This warranty exception shall not automatically void the entire Equipment warranty and shall only apply to those specific parts of the Equipment delivered by Seller which are affected, in Seller's judgment, by any such modifications or repairs. Purchaser may request that Seller review the proposed modifications or repairs at***

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Purchaser's expense prior to such repairs or modifications and Seller may in its sole discretion assist Purchaser including providing Purchaser with Seller's determination of what impact, if any, the repairs or modifications will have on this warranty. Repairs and alterations which use or incorporate parts and components other than genuine Bell parts or parts approved by Seller for direct acquisition from sources other than Seller itself are not warranted by Seller, and this warranty shall be void to the extent that such repairs and alterations, in Seller's sole judgment, affect the stability, safety or reliability of the helicopter or any part thereof, or damage genuine Bell or Bell-approved parts. No person, corporation or organization, including Seller's Customer Service Facilities, is authorized by Seller to assume for it any other liability in connection with the sale of its helicopters and parts.

THIS WARRANTY IS NOT INTENDED TO RELIEVE SELLER FROM ANY LIABILITY IT MAY HAVE UNDER APPLICABLE LAW WITH RESPECT TO DAMAGES TO LOS ANGELES COUNTY PROPERTY OTHER THAN THE EQUIPMENT DELIVERED BY SELLER, WHICH LIABILITY SHALL BE EXCLUSIVELY DETERMINED IN ACCORDANCE WITH THIS WARRANTY.

IN NO EVENT IS THIS WARRANTY INTENDED TO RELIEVE SELLER FROM ANY LIABILITY IT MAY HAVE TO A COUNTY EMPLOYEE OR A THIRD PARTY UNDER APPLICABLE LAW FOR ANY BODILY INJURY TO SUCH COUNTY EMPLOYEE OR THIRD PARTY WHICH IS SUSTAINED IN AN INCIDENT OR ACCIDENT INVOLVING THE EQUIPMENT WHICH IS CAUSED BY THE NEGLIGENCE OF SELLER OR ANY DEFECT IN THE EQUIPMENT.

ARTICLE 10: WIRE STRIKE PROTECTION

PURCHASER AGREES THAT HE HAS BEEN PROVIDED THE OPPORTUNITY TO PURCHASE WIRE STRIKE PROTECTION AND THAT THE WIRE STRIKE PROTECTION OFFERED BY SELLER AS RECOMMENDED EQUIPMENT MAY REDUCE OR MINIMIZE THE SEVERITY OF INJURIES AND DAMAGE SUSTAINED AS A RESULT OF AIRCRAFT CONTACT WITH ABOVE GROUND CABLES AND/OR POWER LINES. BY SIGNING THIS AGREEMENT, PURCHASER ACKNOWLEDGES THAT HE UNDERSTANDS THAT (I) THE WIRE STRIKE PROTECTION IS INTENDED TO CAPTURE AND CUT WIRES WITHIN ITS CAPTURE PARAMETERS, I.E. WITHIN THE LIMITS OF THE CUTTING MASTS; AND (II) THE WIRE STRIKE KIT, AS INSTALLED, WILL NOT CUT ALL CABLES OR WIRES CONTACTED BY AN AIRCRAFT IN FLIGHT, NOR PREVENT LOSS OF CONTROL AS A RESULT OF ALL WIRE STRIKE INCIDENTS. PURCHASER CERTIFIES BY SIGNING THIS AGREEMENT THAT THE WIRE STRIKE PROTECTION SYSTEM WAS RECOMMENDED BY SELLER FOR INSTALLATION ON THE EQUIPMENT AND THAT, UNLESS THE WIRE STRIKE PROTECTION HAS BEEN SPECIFIED AS PART OF THE CONFIGURATION ON APPENDIX 1, PURCHASER HAS EITHER ELECTED NOT TO HAVE WIRE STRIKE PROTECTION INSTALLED ON THE EQUIPMENT OR THAT THE EQUIPMENT WILL BE EQUIPPED WITH A WIRE STRIKE PROTECTION SYSTEM PURCHASED FROM ANOTHER SOURCE.

ARTICLE 11: ASSIGNMENT

No right, title or interest under this Agreement or portion thereof may be assigned by Purchaser without the written consent of Seller. Seller may assign its rights hereunder in its sole discretion for any purpose including without limitation, for financing purposes. In the event that financing is desired under this Agreement, Purchaser may be required at the request of Seller or a financial institution to assign its interests herein to the financing bank or entity.

ARTICLE 12: CHOICE OF LAW AND JURISDICTION

This Agreement and any dispute arising under, out of, or related in any way to this Agreement or the legal relationship between Seller and Purchaser shall be governed and construed exclusively under the laws of the State of ***California,*** USA exclusive of conflicts of laws. Seller and Purchaser hereby agree that any dispute arising under, out of, or related in any way to this Agreement or the legal relationship between Seller and Purchaser shall be filed only in (a) the Courts of General Jurisdiction of the State of ***California.*** Seller and Purchaser hereby agree that the above sets forth the sole and exclusive jurisdiction and venue in which any lawsuit arising under, out of, or related to this Agreement may be filed.

ARTICLE 13: FORCE MAJEURE

If Seller shall be unable to perform its obligations under this Agreement because of intervention of a Force Majeure event, which term shall include but not be limited to strikes, lockouts or other labor disturbances, riots, epidemics, war, governmental actions, inactions or regulations, fire, weather, difficulty in obtaining qualified parts or materials, failure of performance by subcontractors or other

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causes beyond its control, Seller shall not be responsible for delays in acceptance, delivery or performance under this Agreement. Seller shall give reasonable notice to Purchaser upon the occurrence of an event of Force Majeure. If a delay in delivery or performance extends beyond **180** days from the scheduled Acceptance Month specified in Article 4, either party may terminate this Agreement, whereupon the sole liability of Seller shall be to return any payments made by Purchaser for Equipment not delivered.

ARTICLE 14: TAXES AND DUTIES

The price of the Equipment does not include any sales, use, personal property, value-added, excise or similar tax or assessments which may be imposed by any governmental authority upon this sales transaction, the Equipment or the use of the Equipment by Purchaser. Purchaser agrees to pay and indemnify Seller against such taxes or assessments (including interest or penalties that may arise from nonpayment), as well as any withholding taxes, customs, duties or other assessments by any governmental authority so that in all instances Seller receives payment (after any taxes or assessments) equal to the sales price. Purchaser agrees to execute any documentation necessary to avoid the imposition of or receive exemption from applicable taxes. These provisions shall inure to any successor or assignee of Purchaser and shall survive until six (6) months after the expiration of any applicable statute of limitations.

ARTICLE 15: RESPONSIBILITY FOR CERTAIN LOSSES

Neither party shall hold the other responsible for loss or damage to its property or injury to or death of its employees, agents, or representatives at the facilities of the other party in the course of performing this Agreement, except as a result of the other party's willful misconduct. The foregoing applies, without limitation, to losses caused by mechanical defects, parts failure or accidents.

ARTICLE 16: SEVERABILITY AND WAIVER

If any provision of this Agreement is or becomes null or unenforceable by force of law, the other provisions shall remain valid and enforceable. Waiver of one provision by either party shall not act as waiver of any other provision.

ARTICLE 17: NOTICES

Any notice to be given under this Agreement shall be delivered by facsimile, courier or by registered or first class mail. All notices delivered hereunder shall be deemed given on the date they are transmitted or placed in the hands of the post or courier for delivery, as appropriate. All notices shall be given to the addresses set forth in the first paragraph of this Agreement unless otherwise specified by the parties in writing.

ARTICLE 18: ENTIRE AGREEMENT

This Agreement, together with the Appendices attached hereto, constitute the entire agreement between the parties with respect to the subject matter hereof and supersede all prior agreements, representations, negotiations, proposals or discussions between the parties with respect to the subject matter hereof. No modification or supplement hereto shall be effective unless in writing and signed by both parties.

ARTICLE 19: HOME OFFICE APPROVAL

This Agreement shall not become effective until it is executed by an authorized representative of Seller at Seller's home office in Fort Worth, Texas, U.S.A. and receipt by Seller of the Deposit as set forth in Article 3, above.

BELL HELICOPTER TEXTRON INC.

_____
Signature

_____
Type or Print Name

_____
Title

_____
Witness

_____
Date

CONSOLIDATED FIRE PROTECTION DISTRICT OF LOS ANGELES COUNTY

_____
Signature

_____
Type or Print Name

_____
Title

_____
Date

APPROVED AS TO FORM:
RAYMOND G. FORTNER, JR.
COUNTY COUNSEL

_____
Deputy

APPENDIX 1
EQUIPMENT

PURCHASE AGREEMENT

Item #	Qty.	Description	Unit Price	Total Price
1	2	New Bell 2005 412EP in VFR configuration	$6,050,000	$12,100,000.00
2	2	Ground handling wheels **deleted**	-$8,900	-$17,800.00
3	2	Power steps credit, **deleted**	-$315	-$630.00
4	2	Airline seats credit, **deleted**	-$13,010	-$26,020.00
		Installed accessories		
5	2	Cargo hook prov.	$5,000	$10,000.00
6	2	Nav. Rec. #1 VOR/LOC w/Marker Beacon /H.S.I. (KNR634)	$28,600	$57,200.00
7	2	Heavy Duty High Skid gear	$5,200	$10,400.00
8	2	Flight Director Nav Coupler (3 axis)	$35,400	$70,800.00
9	2	Increased generator capacity	$4,400	$8,800.00
10	2	Wire Strike Protection System	$14,500	$29,000.00
11	2	Credit for no Seats	$0	$0.00
12	2	Soft Interior	$0	$0.00
13	2	High vis. Main rotor blades	$0	$0.00
14	2	Gov. agency 10% discount on installed accessories:		-$18,620.00
		Customizing		
15	2	Closed Circuit refueling	$8,460	$16,920.00
16	2	Fuel system modification per FMS-29-2/3, dwg 412-899-227	$7,920	$15,840.00
		Other notes: no dual controls or rotor brake required, nor co-pilot side instruments.		

Training ☑ STANDARD
Pilot: 2 PER AIRCRAFT
Maintenance: 1 PER AIRCRAFT
☐ ADDITIONAL (Subject to additional cost)
Pilot:
Maintenance:

Interior:
☑ STANDARD ☐ CORPORATE
☑ FABRIC ☐ VINYL ☐ FABRIC ☐ LEATHER
☐ FABRIC & VINYL ☐ FABRIC & LEATHER

☐ GRAY ☐ PEWTER ☐ BURGUNDY
☑ BLUE ☐ MUSHROOM ☐ SMOKE GRAY
☐ RED ☐ DARK BLUE ☐ FOREST GREEN
☐ TAN ☐ SADDLE ☐ *OTHER _____
☐ OTHER _____ *If Leather: ☐ SOLID ☑ PERFORATED INSERTS
☐ BACK ☐ SEAT

CARPET SELECTION _____

Exterior: Same as previous s/n 36043/36044
☐ UNPAINTED ☐ ALL WHITE or SCHEME: ☐ A ☐ B ☐ C
☑ *OTHER (SPECIAL SCHEME)
22 in. tall fleet ID numbers on either side of vertical stabilizer, and one nose as space will allow.
☐ BASE : _____ ☐ MAJOR: _____ ☐ ACCENT: _____
*Subject to Pricing Review
Unless otherwise specified, Registration Markings will be applied as shown on standard renderings, in accordance with FAA Regulations.

Certification Required: **N__LA type registration number.**
☐ CANADIAN MOT ☑ U.S. FAA ☐ CAA _____ (Country)
☐ OTHER

EQUIPMENT PRICE	
U.S. Dollars	**$12,255,890.00**
DEPOSIT:	
0%	$0.00
BALANCE DUE AT ACCEPTANCE	
FROM FACTORY	**$12,255,890.00**

APPENDIX 2
CONFIGURATION CHANGES **PURCHASE AGREEMENT**

Total Price U.S. Dollars on Original Purchase Agreement **$12,255,890.00**

Item #	Qty.	Add / Delete	Description	Unit Price	Total Price
			Intentionally left blank		
TOTAL CONFIGURATION CHANGES					**$0.00**

REVISED TOTAL PRICE U.S. DOLLARS **$12,255,890.00**